

HOUSE OF REPRESENTATIVES—Wednesday, September 26, 1979

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we rejoice in the majesty of Your love to us. We give You praise for the opportunity to be of service to others, for the privilege of living in a free land, and for the satisfaction that comes when we are faithful in our work.

Grant, O Lord, that we will live each day with purpose and dedication and with appreciation to family and friends for support and trust. May cynicism or apathy not overwhelm or false pride of accomplishment dim our mission. Give us the faith to celebrate Your presence and power that we might be worthy stewards of the calling that is ours.

In the name of the Lord, we pray.
Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3996) entitled "An act to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 721. An act to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1980.

And that the Senate disagreed to the House amendment to the title of the foregoing bill.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3923. An act to amend chapter 25 of title 44, United States Code, to extend for two years the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 105. Joint resolution to provide for a temporary extension of certain Fed-

eral Housing Administration authorities, and for other purposes.

The message also announced that the Vice President, pursuant to Public Law 70-770, appointed Mr. PRYOR as a member, on the part of the Senate, of the Migratory Bird Conservation Commission, vice Mr. Haskell, retired.

EXTENSION OF DEPARTMENT OF JUSTICE APPROPRIATION AUTHORIZATION ACT, 1979

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill (H.R. 5380) to continue in effect any authority provided under the Department of Justice Appropriation Authorization Act, fiscal year 1979, for a certain period, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5380

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the authority, and any limitation on authority, contained in the Department of Justice Appropriation Authorization Act, fiscal year 1979, shall continue in effect with respect to activities of the Department of Justice (including any bureau, office, board, division, commission, or subdivision thereof) until the effective date of a general authorization Act or the end of the sixtieth day after the date of the enactment of this Act, whichever is earlier.

The SPEAKER. The gentleman from California (Mr. EDWARDS) is recognized for 1 hour.

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill is a very simple, very limited solution to a difficult problem.

As the House is aware, the current fiscal year will end on September 30 and the new year—fiscal 1980—will begin next Monday, October 1.

The Justice Department's present authorization, however, will expire with fiscal 1979, and some narrow temporary authority is necessary to give the House a chance to consider the fiscal 1980 legislation.

This bill would do just that—it is a simple 60-day extension of the authorities contained in last year's Justice Department authorization bill. The 1980 appropriation legislation, of course, has already been enacted, but certain authority of critical importance to the

daily operation of the Department is not covered by that appropriation bill. This brief 60-day authorization extension is therefore necessary.

One point cannot be emphasized strongly enough: The House needs to manage better its schedule in the future. A year ago, the Justice Department was appropriated before its was authorized. And despite the fact that the Judiciary Committee met its Budget Act deadline by more than a month, this year's situation is the same: The Department has been appropriated, but not as yet authorized.

Mr. Speaker, the Judiciary Committee ordered the authorization bill reported on April 4; it filed its report with the House on April 23. The Rules Committee reported a rule on June 15. And still—more than 3 months later—we have not reached the floor. We are talking about a bill ordered reported by the Judiciary Committee nearly 6 months ago.

However, that is a matter to be corrected in the future. What we need today is this simple bill. Because the authorization bill will not be enacted by October 1, authority to conduct various vital Department activities may not exist after this weekend. The obligation and dispersal of funds for the carrying on of these activities could therefore be jeopardized.

Unless this simple 60-day extension is agreed to, the following problems are posed:

FBI undercover operations. Authority for the FBI to conduct undercover operations in all areas of their investigative responsibilities would expire.

Purchase of firearms and ammunition. Authority to purchase firearms and ammunition for the FBI, INS, DEA, and U.S. Marshals would expire.

Protection of the person of the President of the United States and the Attorney General. Authority to expend funds by the FBI to protect the President and the Attorney General would expire.

Hire of motor vehicles. The authority to hire motor vehicles would expire for DEA's utilization in its undercover operations.

Emergency situations. The Attorney General's authority to expend funds for certain emergency situations would be curtailed.

Payment of rewards. The authority to pay rewards by the FBI, DEA, U.S. Marshals and the Bureau of Prisons would be curtailed.

Supervision of U.S. prisoners in non-Federal institutions. Authority for the U.S. Marshals to expend certain funds to provide for the supervision of U.S. prisoners in non-Federal institutions would be curtailed.

Transfer of prisoners. The authority to permit the U.S. Marshals to bring to

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the United States from foreign countries persons charged with a crime would expire.

FBI Records. The specific authority to expend funds by the FBI to acquire, collect and classify records and exchange them with authorized Federal, State, local and other institutions would expire.

Contract employees abroad. Authority for DEA to employ aliens by contract abroad would not be available.

Drug enforcement related research. DEA authority to conduct research related to enforcement and drug control would expire.

Medical benefits for employees stationed abroad. Certain medical benefits to FBI, INS and DEA employees abroad would expire.

Limitation of service of process by U.S. Marshals. Authority is needed to limit the activities of the U.S. Marshals serving private process.

Insurance for motor vehicles and aircraft operated on official business in foreign countries. Authority for this type of insurance would not be available thereby possibly subjecting the Department to expensive tort claims.

Mr. Speaker, I urge the adoption of this bill.

Mr. Speaker, I yield to the ranking minority member of the Committee on the Judiciary, the gentleman from Illinois (Mr. McCLODY).

Mr. McCLODY. Mr. Speaker, I thank the gentleman for yielding, and I commend the gentleman from California (Mr. EDWARDS) for bringing this matter to the House for consideration today.

Mr. Speaker, I fully support this interim legislation made necessary by the House's inability to act on the 1980 authorization even though it was reported by the Committee on the Judiciary last April. The Members will recall that the appropriation legislation for the Department of Justice for fiscal year 1980 has been enacted (Public Law 96-68). However, with the inauguration of the authorization process in the Judiciary Committee last year, many of the authorization issues previously handled by the Appropriations Committee were properly transferred to the Judiciary Committee. Thus in the absence of authorization legislation, many authorizations once contained in the appropriation are no longer in effect. Some of these relate to the FBI undercover operations, FBI protection of the President, the payment of informers, and providing criminal record identification.

I regret that we have been unable to act in regular order and trust that we will be able to do so within the 60-day period contained in this extension.

● Mr. HYDE. Mr. Speaker, I support this bill and its effort to secure, for the next 60 days or until the Justice reauthorization legislation is considered on the floor, the FBI's ability to continue certain undercover investigative operations.

We had hoped that passage of the Justice Department reauthorization would

take care of the problem the FBI faces on October 1. Unfortunately, unless this bill is passed, a question will arise as to whether moneys generated by FBI undercover activities must be paid into the Treasury or may be used, as is currently the case, to offset expenses incurred in investigating white collar and organized crime. If this bill should fail to pass, and no other source of revenue is found, the Bureau will have to close many ongoing probes.

I believe that this bill is necessary; I would hope that effective, self-funding law enforcement will not incur anyone's objections.●

● Mr. EDWARDS of California. Mr. Speaker, as my distinguished chairman's remarks indicate, this bill is designed simply to continue the existing authority of the Department of Justice until such time as the House acts on the 1980 authorization bill. The authorization bill contains a number of provisions which provide the Department and its components with certain authority essential to their continued operation.

For example, and of primary importance to me as chairman of the FBI oversight subcommittee, last year's authorization bill gave the FBI certain statutory authorities essential to the operation of the FBI's highly successful undercover activities. The Bureau's undercover program has increased not only in size and scope in the short time it has been in existence but also in quality and sophistication. From breaking up fencing operations and burglary rings the Bureau has moved to organized crime and corruption cases. This is exactly the sort of law enforcement activity my subcommittee has been encouraging the FBI to engage in for the past several years. But without this bill, the Bureau's authority to conduct such operations may expire in a matter of days. The Department's own Office of Legal Counsel has issued a legal opinion indicating that this could well be the case. My subcommittee and I would hate to see this happen simply because the House failed to act on this simple bill.

My distinguished chairman has alluded to some of the other problems which may arise if this bill is not enacted. The Department of Justice has prepared a document cataloging these problems. I would like to insert it in the RECORD.

This bill, H.R. 5380, is not a substitute for the general authorization bill, which was reported favorably by the House Committee on the Judiciary early last April. It is simply an interim measure to provide continuing authority for the day-to-day operations of the Department of Justice until the House can consider the 1980 legislation. The short-term nature of this temporary extension of the Department's existing authority is designed to assure that the House will consider the 1980 authorization bill in a timely manner.

I urge the adoption of this bill.●

GENERAL LEAVE

Mr. McCLODY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. EDWARDS of California. Mr. Speaker, I wish to point out that the remarks I made were made on behalf of the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAKING IN ORDER ON TODAY CONSIDERATION OF CONFERENCE REPORT ON H.R. 4393, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

Mr. STEED. Mr. Speaker, I ask unanimous consent that it may be in order on today to consider the conference report on the bill (H.R. 4393) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1980, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONGRATULATIONS TO CONGRESSMAN MIKVA ON HIS CONFIRMATION TO THE JUDICIARY

(Mr. RUSSO asked and was given permission to address the House for 1 minute.)

Mr. RUSSO. Mr. Speaker, I take this opportunity to congratulate my dear friend and colleague, the gentleman from Illinois (Mr. MIKVA), on his confirmation to the Federal Court of Appeals.

As is a dear friend; he is a dedicated and a hard-working Congressman; but, more importantly, he is a decent human being. The House, in my estimation, is losing one of its finest Members. Our loss, however, is the judiciary's gain.

I consider his confirmation his last election, and the gentleman from Illinois was highly uncharacteristic. He has had some very close elections in his career, but yesterday he did it in style. He won with 69 percent of the vote. That is his best win ever.

Mr. Speaker, I wish to express my sincere congratulations for both him and his wife, Zoe.

□ 1010

THE ANGELS TRIUMPH

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, for the people of southern California in particular and for baseball fans in general, last night was an historic occasion. For the first time in their 19-year history, the California Angels have won an American League division championship. And, in the process, they have brought a new sense of pride, accomplishment and community spirit not only to their loyal fans but to people throughout the Los Angeles-San Diego corridor, particularly in Anaheim, the home of the Angels.

Of course, it was not easy. Last night's thrilling 4-1 victory over Kansas City culminated a year in which the Angels overcame both injuries and the odds to prevail. That they should do so is only fitting; as one of baseball's earliest expansion teams, the path to the championship has been a long one indeed. But, with admirable perseverance by the Angels organization from owner Gene Autry, to Manager Jim Fregosi, to the members of the team, right down to the clubhouse staff, deserves a big pat on the back for a job well done. On to Baltimore and more of the same.

RELEASE OF JACOBO TIMERMAN

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, it is with pleasure that I rise to inform my colleagues in the House of the release of Jacobo Timerman, one of the most renowned political prisoners in the world today. Mr. Timerman, a well-known Argentine editor, publisher and defender of human rights, was released from custody late yesterday by the Argentine military government after more than 2 years of imprisonment without charges.

Falling upon the heels of a visit by the Inter-American Human Rights Commission and a decision by the Argentine Supreme Court ordering Mr. Timerman's release, the Argentine Government's decision is a hopeful sign of their commitment to restore the independence of the judiciary and to begin the long process of healing that nation's wounds and restoring democracy.

It was just 1 week ago today that Mrs. Timerman met here in the Capitol with many Members of the House and Senate who have wholeheartedly supported her husband's cause throughout his 2 years of imprisonment. Now, thanks to all of our combined efforts and those of his many friends around the world, Jacobo Timerman has begun his pilgrimage to Israel to rejoin his wife and family and to start a new life.

Mr. Timerman's ordeal began on April 15, 1977, when some 20 armed civilians burst into his Buenos Aires home and spirited him away. Following his arrest, he was held incommunicado and

tortured. Thereafter he was stripped of all his political rights, his newspaper and his property. His detention continued for more than 2 years despite the decision of a military tribunal and a supreme court decision clearing him of all charges and ordering his release.

Having used his position as the editor and publisher of one of Latin America's leading newspapers, *La Opinion*, to attack the excesses and violence of both the right and the left, he made many enemies during Argentina's turbulent war on terrorism.

The worldwide attention that this case drew led to Timerman becoming a pawn in the intergovernmental power struggle that has hampered progress in Argentina since the military takeover. Hopefully, Timerman's release is a signal that the moderate forces within the military government will now prevail over the hardliners and will lead to a new recognition of human rights in Argentina.

JACOBO TIMERMAN

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, in these times of our great concern over inflation, energy, budget resolutions, debt limits, and a host of other important but material issues, there are events that occur which make us reflect on the real importance of our great country. That real importance is freedom. In the face of all the problems that beset this country, we sometimes forget that this freedom is our most precious and most enduring asset.

Yesterday an event which may not seem particularly Earth-shattering in light of the other urgencies that confront us took place in Argentina. Jacobo Timerman, a political prisoner, was released by his captors and allowed to emigrate.

Although Jacobo was an Argentinian citizen, his plight transcends mere national boundaries and exemplifies the ultimate quest of all men and of our great Nation in particular. For he believes in truth, freedom, and the right to speak against those who rule. Nothing could be more in tune with the ideals of this country.

Jacob Timerman was a journalist, the editor of *La Opinion*. He is a family man, subject to all of the pressures of protecting his family. He is also a Jew. His plight represents many facets of what is wrong in the world today, and I must report that he is free today largely because of the efforts of the United States.

Along with a number of colleagues in the House, I have waged a campaign to free Mr. Timerman. I visited with him in January of 1978. I saw the horror of his imprisonment and the courage of his defiance. I have met his family and friends and we all agree that he is a true symbol of leadership against oppression. Mr. Speaker, I can report to you today, that our efforts have achieved a great sym-

bolic victory. Embarrassed by their failure to break him and put on the spot by our efforts to secure his release, the Argentine Government has finally allowed Jacobo Timerman to leave.

I am proud of my part in helping this man emigrate from a country that puts freedom behind expediency. Everyone in this House should share in this pride, because it was our collective effort that finally swayed the Argentine courts to allow him to go free.

So when we wonder at times about what we are accomplishing here, we can take great comfort from such events, and realize that we have been able to influence freedom and justice throughout the world.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4360

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of H.R. 4360, the Underutilized Species Act of 1979.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

UNFAIR ADVANTAGE OF UNDECLARED PRESIDENTIAL CANDIDATE CAMPAIGN COMMITTEES

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, for the past 2 days at this time I addressed the House about the unfair advantage enjoyed by the senior Senator from Massachusetts as an undeclared candidate for the Presidency. His 36 committees are allowed to accept \$5,000 in contributions from any individual. Declared candidates' committees—and they can only have one—are allowed to accept from any individual only \$1,000. That means the Kennedy effort can accept \$180,000 from any individual as against a declared candidate's limit of \$1,000.

I also would like to point out to the House that the beneficiary of this unfair advantage is the author of the Senate counterpart of the Obey-Railsback bill which tries to impose limits on spending for congressional campaigns.

I think we should have a little good example from the Senator and his committees before we take up Obey-Railsback in this House. There should be a statement from him, or from his committees, that they will, in aggregate, accept no more than \$1,000 from any individual, and that they will return any contributions in excess of \$1,000 per individual.

Until such a declaration is made, it would not be reasonable to take up a bill to reduce contribution limits for other candidates.

CAMPAIGN CONTRIBUTION
LOOPHOLES

(Mr. EMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EMERY. Mr. Speaker, when the Committee on Rules met last week to address itself to the question of the consideration of the Obey-Railsback provision, I offered an amendment in the Committee on Rules that would have closed the loophole referred to by my colleague, the gentleman from Minnesota (Mr. FRENZEL). Unfortunately, for whatever reason, the Committee on Rules chose to defeat my amendment twice, once on a bipartisan vote of 8 to 6, once on a bipartisan vote 6-to-6 tie under which the amendment failed.

I say "bipartisan" because at least one Democrat, on each occasion, joined with Republican members to recognize the fact that if campaign regulations and procedures are fair for one candidate, they should be the same for all candidates. I think that in this time of concern about the proliferation of political action committees, special interest influence, and campaign contributions from sources that expect something in return, it is only fair that we tie all of these loopholes down so that the American people will know who is electing the President of the United States and who is not.

CONGRESSMAN CONTE PLAYS IM-
PORTANT ROLE IN RELEASE OF
JACOBO TIMERMAN

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, our colleague, the gentleman from Massachusetts (Mr. CONTE), has just mentioned the unfortunate incidents around Jacobo Timerman. The gentleman from Massachusetts (Mr. CONTE) and our colleague, the gentleman from New York (Mr. GILMAN), have done an outstanding job in securing his release. But I would like to say this: The gentleman from Massachusetts (Mr. CONTE) was too modest in the part that he played in the release of Mr. Timerman. Because of the assignment that the gentleman and I have on the Subcommittee on Foreign Operations of the Committee on Appropriations, we meet with the State Department on a regular basis. I can tell the Members that the gentleman from Massachusetts (Mr. CONTE) never missed an opportunity to apply the pressure, to apply the questions, the probing inquiries, as to why something was not being done to secure the release of Mr. Timerman. So I say that the gentleman from Massachusetts was overly modest. He has done an outstanding job, in securing the release of this gentleman from the Argentine jails.

CHEMICAL, BIOLOGICAL, OR RADI-
OLOGICAL EXPERIMENTS ON CI-
VILIANS SHOULD BE BANNED

(Mr. JOHN L. BURTON asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, when the military appropriation bill comes up either later this week, or whenever, the gentleman from California (Mr. MILLER) and I will be offering an amendment that states:

None of the funds appropriated under this Act may be used for chemical, biological or radiological experiments on nonconsenting civilian populations.

Mr. Speaker, this amendment results from an exposé by the Washington Post and other newspapers where our city and the communities around San Francisco were guinea pigs in a naval experiment on biological warfare, causing at least one death and several hospitalizations for a very rare strain of pneumonia.

Mr. Speaker, I would urge my colleagues to support such an amendment.

LAST CHANCE TO VOTE NO ON
PANAMA CANAL TREATY

(Mr. HANSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN. Mr. Speaker, staying power is the mark of a winner in any human endeavor. Today's vote is the final test of staying power with regard to the Panama Canal Treaty implementation.

From the beginning of this debate, the House has resisted the giving away of the Panama Canal. We defended rightly our constitutional role in the disposition of territory at every step of the way. In response to our constituents, we have resisted the transfer.

And we have been proven right at every step of the way. It is a bitter irony that many treaty proponents in this House have tried to claim opposition to the very transfer which they are to the end attempting to force on the Nation.

There is no doubt that treaty and implementation opponents have carried every point of the debate. We have been right on the dollar costs. We have been right on the economic damage. We have been right on the defense damage. And we have been right that you cannot buy the friendship of notorious Communist revolutionary regimes by paying tribute and giving away our national heritage.

The new conference report denies the Congress control over our territory and continues to impose a cost of hundreds of millions of dollars on American taxpayers. As such, it cannot be accepted.

Everything rides on this one final vote. For the Nation's security, for the people at home, for many good reasons, I hope that this House will vote "no" on today's conference report on the Panama Canal.

CALL OF THE HOUSE

Mr. HUGHES. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 507]

Abdnor	Erlenborn	Luken
Addabbo	Ertel	Lundine
Akaka	Evans, Ga.	Lungren
Albosta	Evans, Ind.	McClary
Alexander	Fary	McCloskey
Anderson,	Fascell	McCormack
Calif.	Fazio	McDade
Andrews,	Fenwick	McHugh
N. Dak.	Ferraro	McKay
Annuzio	Findley	Madigan
Applegate	Fish	Maguire
Archer	Fisher	Markey
Ashbrook	Fithian	Marlenee
Aspin	Flippo	Marriott
Atkinson	Florio	Martin
AuCoin	Foley	Matsui
Badham	Ford, Mich.	Mattox
Bafalis	Ford, Tenn.	Mavroules
Bailey	Forsyth	Mica
Baldus	Fountain	Michel
Barnard	Fowler	Mikulski
Bauman	Frenzel	Miller, Calif.
Beard, R.I.	Fuqua	Miller, Ohio
Beard, Tenn.	Gephardt	Mineta
Bedell	Gialmo	Minish
Benjamin	Gilman	Mitchell, Md.
Bennett	Gingrich	Mitchell, N.Y.
Bereuter	Ginn	Mollohan
Bethune	Goldwater	Montgomery
Bevill	Gonzalez	Moore
Blaggi	Goodling	Moorhead,
Bingham	Gore	Calif.
Blanchard	Gradison	Moorhead, Pa.
Boggs	Gramm	Mottl
Boland	Grassley	Murphy, N.Y.
Boner	Gray	Murphy, Pa.
Bonior	Green	Murtha
Bouquard	Grisham	Myers, Pa.
Bowen	Gudger	Natcher
Brademas	Guyer	Neal
Breaux	Hagedorn	Nedzi
Brinkley	Hall, Tex.	Nelson
Brodhead	Hamilton	Nichols
Brooks	Hammer-	Noian
Broomfield	schmidt	Nowak
Brown, Calif.	Hance	O'Brien
Brown, Ohio	Harris	Oakar
Broyhill	Hawkins	Oberstar
Buchanan	Heckler	Obey
Burgener	Hefner	Ottlinger
Burlison	Heftel	Panetta
Burton, John	Hightower	Pashayan
Butler	Hillis	Patten
Byron	Hinson	Patterson
Campbell	Holland	Paul
Carney	Hollenbeck	Pease
Carr	Holt	Pepper
Cavanaugh	Hopkins	Perkins
Chappell	Horton	Petri
Cheney	Howard	Peyser
Clausen	Hubbard	Pickle
Clay	Huckaby	Preyer
Cleveland	Hughes	Price
Clinger	Hutto	Pritchard
Coelho	Hyde	Pursell
Coleman	Ichord	Quayle
Collins, Ill.	Jacobs	Rahall
Collins, Tex.	Jeffords	Railsback
Conable	Jeffries	Rangel
Conte	Jenkins	Ratchford
Corcoran	Jenrette	Regula
Cotter	Johnson, Calif.	Reuss
Coughlin	Jones, N.C.	Richmond
Courter	Jones, Okla.	Rinaldo
Crane, Daniel	Jones, Tenn.	Ritter
Crane, Philip	Kastenmeier	Roberts
Daniel, Dan	Kazen	Robinson
Daniel, R. W.	Kelly	Roe
Danielson	Kemp	Rostenkowski
Dannemeyer	Kildee	Roth
Daschle	Kindness	Roybal
Davis, Mich.	Kogovsek	Royer
de la Garza	Kostmayer	Rudd
Deckard	Kramer	Russo
Dellums	LaFalce	Sabo
Derrick	Lagomarsino	Satterfield
Derwinski	Latta	Sawyer
Devine	Leach, Iowa	Schroeder
Dickinson	Leach, La.	Sebelius
Dicks	Leath, Tex.	Sensenbrenner
Dixon	Lederer	Shannon
Dorman	Lee	Sharp
Dougherty	Lehman	Shelby
Downey	Leland	Shumway
Drinen	Lent	Simon
Duncan, Tenn.	Levitas	Skelton
Early	Lewis	Slack
Edgar	Livingston	Smith, Iowa
Edwards, Ala.	Lloyd	Smith, Nebr.
Edwards, Calif.	Loeffler	Snowe
Edwards, Okla.	Long, La.	Snyder
Emery	Long, Md.	Solarz
English	Lott	Solomon
Erdahl	Lowery	Spellman

Spence	Thomas	Whitley
St Germain	Thompson	Whittaker
Stack	Traxler	Whitten
Staggers	Trible	Williams, Mont.
Stangeland	Van Deerlin	Wilson, Bob
Stanton	Vander Jagt	Wilson, Tex.
Steed	Vanik	Wirth
Stenholm	Vento	Wolpe
Stewart	Volkmer	Wright
Stockman	Walgren	Wyatt
Stratton	Walker	Wydler
Studds	Wampler	Wylie
Stump	Watkins	Yates
Swift	Waxman	Yatron
Symms	Weaver	Young, Fla.
Synar	Weiss	Young, Mo.
Tauke	White	Zablocki
Taylor	Whitehurst	Zefertti

□ 1040

The SPEAKER pro tempore (Mr. ASPIN). On this rollcall, 362 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON H.R. 111, PANAMA CANAL ACT OF 1979

Mr. MURPHY of New York. Mr. Speaker, I call up the conference report on the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the previous order of the House of September 25, 1979, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 24, 1979.)

The SPEAKER pro tempore. The gentleman from New York (Mr. MURPHY) will be recognized for 30 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we deal today with an issue of vital security and economic interest to the United States. On July 30, when we reported H.R. 111, the distinguished gentleman from Maryland had a motion passed, a motion to instruct the House conferees when we went to conference with the Senate on this issue. There were specific sections of H.R. 111 that were not to be altered by this express direction of the House. That conference report came back last Thursday.

I ticked off in chapter and verse every position prevailed, and I called the bill one of those sections where the House that came back, the conference report, the "Bauman bill." We called it the "Bauman bill" because the Bauman instructions were kept to the letter.

But, by a very narrow vote with some Members not present, the House rejected that conference report. We then went back to conference on Monday, and today we bring to you "Son of Bauman."

As every father knows, his son is stronger and smarter than the father, and this new conference report which we

will call "Son of Bauman" certainly has more muscle in it than the previous conference report. I will give the Members in chapter and verse the strength added to "Son of Bauman".

Last week the members of this House were in an angry mood when they voted against adoption of the conference report on the Panama Canal Treaty implementing legislation. This vote was made in spite of the fact that the House conferees had scored a major victory by substantially preserving in conference the substance and form of the House bill H.R. 111.

While I disagreed with the negative votes of my colleagues on this conference report, I nevertheless have shared with them all along the frustration we as Members of the House of Representatives have felt during the entire treaty process and in the consideration of the conference report last Thursday.

I share the anger addressed at these ill-conceived and poorly crafted treaties.

I share the anger addressed to the Executive and Senate at attempting to circumvent the role of the House of Representatives in the exclusive prerogative of Congress with regard to the disposition of property and territory belonging to the United States as guaranteed by the Constitution.

I share the anger addressed to the Executive in attempting to circumvent the appropriations process of the Congress.

I share the anger at the subversion of the interests of our allies in Central America and the supplying by Panama of U.S.-manufactured guns and ammunition to Marxist revolutionaries.

I share the anger at the anti-U.S. rhetoric emanating daily from the press and media in Panama and the Republic's failure to support the U.S. position at the U.N. and other international forums.

I share the anger at 3,000 Russian troops stationed at our doorstep in Cuba.

Your point has come through loud and clear and I believe that future administrations will think long and hard before attempting to circumvent the constitutional powers of this great body. But, now we no longer have the luxury of giving vent to our anger—we have a more important mission. A time bomb is ticking away and the hour is short. We have a duty and an obligation to perform—we must honor the sacred word of our country. The treaty is the law of the land and, whether we like it or not, it goes into effect on October 1.

On October 1 there will no longer be a Panama Canal Company.

On October 1 there will no longer be a Canal Zone Government.

On October 1 we will have no entity with which to operate the canal unless we pass implementing legislation establishing the Panama Canal Commission, the U.S. Government agency which will operate the canal through the year 2000.

On October 1 there will be no payroll, no schools, no hospitals, and, in short, no legal means of continuing the operation of the canal unless this vital legislation has been passed.

These are some of the consequences, but by no means an exhaustive list, if October 1 arrives without the Congress having enacted legislation to provide for continued operation of the canal under the treaties.

Your message of last week was brought back to the Senate and, I am pleased to report, the Senate conferees receded even further to the position taken by the House. On Monday, the conferees agreed on a second conference report which retained intact the House victory obtained in the first conference report, buttressed by some additional substantive changes:

First. Property transfers. The conference agreement retains the House language requiring authorization by Congress of all property transfers to Panama under the treaty. The bill then does authorize the transfers that the United States has undertaken to make in the treaty but in respect to transfers after October 1 requires, as a prerequisite, a report to the Congress by the President at least 6 months before the transfer identifying the property to be transferred, specifying the reason for the transfer, and certifying the state of compliance by Panama with the 1977 treaty. The bill also meets objections to the prior report expressed during debate on September 20 by providing specifically, as a matter of law, that the Panama Canal shall not be transferred to Panama prior to December 31, 1999.

Second. Payments to Panama. To meet objections to the earlier conference report in respect to the identification of expenditures that must be included in the calculation of the so-called contingency payment to Panama of \$10 million under paragraph 4(c) of article XIII of the treaty, the conference report specifically prohibits establishing tolls at rates sufficient to cover that payment. The report also specifically provides that no such payment may be made unless otherwise unexpended funds are first used to pay all costs of implementation of the treaty associated with operation and maintenance of the canal including but not limited to certain transfer costs to which enumeration has been added, for instance, reimbursement of the Treasury for costs incurred by other agencies of the U.S. Government in providing educational, health and other services, aggregating amounts estimated at about \$26 million a year.

Third. Composition of Supervisory Board. The conference report restores the provision of the bill, as passed by the House, requiring that the U.S. members of the board include the Secretary of Defense and three members from the private sector, with three of the U.S. board members having backgrounds and experience in U.S. steamship operations, U.S. port operations and U.S. labor matters, respectively.

Fourth. Defense of the Panama Canal. The conference report contains language providing that in the event of an armed attack against the canal, or when, in the opinion of the President, conditions exist which threaten the security of the canal, the Administrator of the Canal

Commission shall, upon order of the President, comply with the directives of the military officer charged with the protection and defense of the canal. In addition to that provision, the explanatory statement of the conference managers makes it clear that the definition of a threat to the security of the Panama Canal includes the circumstance in which foreign combat troops or military forces of another country, other than the United States, are located in Panama. Accordingly, under the language of section 1108 of the conference report, the Panama Canal Administrator, whether a U.S. national to the year 1990, or a Panamanian thereafter, must comply with the orders of the U.S. military commander under these conditions of foreign troop involvement, should the President so decide.

Fifth. Retroactive taxation. The bill as passed by the House made payments to Panama under article XIII(4)(c) of the treaty subject to the condition that retroactive taxes not be imposed on persons and firms in the Canal Zone prior to the effective date of the treaty. The Senate amendment deleted this provision. The conference report adopts language prohibiting the President from acceding to any interpretation of the treaty that would permit such retroactive taxation.

The House conferees have done their job. We have a bill before us which is as strong as possible in preserving U.S. interests without violating the spirit and text of the treaties. We have given the maximum allowable protection to the U.S. taxpayer, while preserving the powers of the House with respect to appropriations and property disposal, as guaranteed by the Constitution.

The hour is late—our duty is clear—we must approve this legislation—a defeat of this bill would be unthinkable, and would not only mean the shutting down of the Panama Canal, but could very well result in the loss of American lives.

I cannot urge strongly enough your consideration and support of this important legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1050

Mr. BAUMAN. I yield myself 5 minutes.

Mr. Speaker, the gentleman from New York has referred to this legislation as the "Son of Bauman." I am not sure what illegitimacy that suggests, but the gentleman from Maryland is not going to claim this legislation as his own. The gentleman from Maryland did not write and sign the treaties that gave away the Panama Canal. James Earl Carter and Omar Torrijos did that. The gentleman from Maryland did not ratify those treaties. A mistaken two-thirds of the other body did that. And the gentleman from Maryland did not bring about the requirement for implementing legislation. The treaties and circumstances did that.

But today we are at the end of the road so far as the obligation of the Congress of the United States, and it is not

a very pleasant role for the gentleman from Maryland to have had to sign this conference report for the purpose of bringing it before both of the two Houses so that we can make a final decision. I have differed with some of my colleagues who have opposed this implementing legislation from the beginning in that I have said that at some point implementing legislation had to be passed in order to protect the interests of the United States, and that point is October 1, a few days away.

I am not pleased with the contents of this conference report in every respect, but an earlier version was rejected last week because in a number of ways it did not reflect the feeling of the House. We went back to conference and we attempted to address those points. As a result we have brought about a slight reduction in the overall cost to the American taxpayers. We are not quibbling here. It may be \$100 million; it may be \$200 million. But remember that this treaty was characterized by the President as not going to cost the U.S. taxpayers anything. That was and is absolutely untrue and we know that.

There was also concern expressed that under the terms of the conference report already rejected, any President, this President, could convey away the entire canal and its operations well before the end of the century. This conference report specifically says that cannot be done, and it is the intention of the conference to uphold that prohibition.

We did strengthen the section against retroactive taxation by Panama of citizens and corporations in the Canal Zone, directing the President not to accede to that. We required, which the bill last week did not require, the placing on the supervisory board of the canal U.S. citizens from the private sector, labor, U.S. ports, shipping, or private business. So the President cannot name five State Department stooges to run the canal operation as he might have wished to do. One of the members of that board will have to come from the Department of Defense.

Most importantly, I would call to the attention of the Members to the provision on page 57 of the conference report in the statement of the managers. It refers to section 1108 of the conference report which deals with a situation in which a security risk or wartime conditions may exist in the canal. At my suggestion the language was added to this statement that it is the intention of the conferees that the phrase "conditions which threaten the security of the canal" is deemed to include any circumstance in which foreign combat troops or military forces other than those of the United States as provided in the canal are located within the Republic of Panama. This is my understanding, and I believe the understanding of the gentleman from New York (Mr. MURPHY). This congressional intent allows a future President or this President to respond by placing U.S. military officers in control of the canal should such an occurrence be brought about at any time. And with 3,000 Soviet troops in Cuba only min-

utes away from the canal, I do not think that this phrase is at all meaningless.

I do not feel any obligation to vote for this conference report. As I say, the treaties are not mine; the bill before us today is not mine. But I have to advise the House that the gentleman from New York (Mr. MURPHY) is correct. For the continued operation of this canal we need in place some implementing legislation, and this is the only implementing legislation left. We do not really have time to rewrite it. But I do not think we ought to legislate under the threat of blackmail. I do not think anyone ought to tell this House that we must, because of the threat of violence or force, pass this legislation. If it should be passed at all, it should be because it is the last shred of protection for the interests of the United States and our people, not because of any threat. As much as it is disagreeable for me to say, I see no other implementing legislation possible and each Member must cast his vote on that basis.

Mr. ASHBROOK. Mr. Speaker, will my colleague, the gentleman from Maryland, yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for his statement. Speaking for many of us who have opposed the Panama Canal treaties, even the concept of the treaties during previous administrations and this administration, I want to rise and give my very strong commendation to the chairman of the committee, the gentleman from New York (Mr. MURPHY), and to my colleague, the gentleman from Maryland (Mr. BAUMAN), who did the very, very best they could under adverse situations. To repeat what has already been said, No. 1, as for the constitutional prerogatives that were properly exercised by the other bodies, the executive and the other legislative body, we have no control over those actions. However wrong, they advised and consented and the treaty is a reality. As the gentleman has indicated, this was not on our terms; it was not on our timetable. It was not even on the philosophy or the policies that the Members of this body would want to adopt. But after saying that, I am reminded sometimes of when back home people criticize a Supreme Court decision or the President, and they say, "Well, what are we going to do about it?" I usually reply with a facetious answer: "We are not voting on it this year." No matter what we think of the Panama Canal treaties, we are not voting on that today. The people should hold the President and the Senators who gave it away accountable at the polls.

I want to say merely to my colleague, the gentleman from Maryland (Mr. BAUMAN) and my colleague, the gentleman from New York (Mr. MURPHY) that under those adverse situations, considering we did not have that much input, we are a little bit as Charlie Halleck used to say, "We are in on the landing; we were not in on the takeoff," and I think after all is said and done, my colleagues have done the very best they could. They

ought to have the commendation of every Member of this body for their work. I personally appreciated your patriotic efforts.

Mr. BAUMAN. I thank the gentleman, my good friend from Ohio.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of the Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Speaker, I rise in strong support of the conference report on H.R. 111. This latest version of H.R. 111 further strengthens the House position and serves to allay the concerns expressed by some Members when the original conference report was considered by the House last week.

I would like again to commend, as I did last week, the House conferees for all of their efforts, and in particular the chairman of the Committee on Merchant Marine and Fisheries, the gentleman from New York (Mr. MURPHY). It was through his able leadership and determination that we now have such strong legislation.

□ 1110

I would like also to commend our colleague, the gentleman from Mississippi, the Honorable DAVID BOWEN, who served in a dual capacity as a member of the Committee on Foreign Affairs and the Committee on Merchant Marine and Fisheries for the gentleman's diligent efforts and contributions throughout the shaping of this bill. Of course, we must commend the leadership of the loyal opposition, our very fine and esteemed friend, the honorable gentleman from Maryland, Mr. ROBERT BAUMAN, for his constructive role. Recognizing we are, as the gentleman stated, at the end of the road. The gentleman from Maryland (Mr. BAUMAN) to his credit signed the conference report. The gentleman has demonstrated responsibility. I hope that it will not be the gentleman's vote which defeats this legislation today. I hope the gentleman will see fit to vote for this legislation, because we will not have any other implementing legislation.

Mr. Speaker, I wish to associate myself with the remarks of our able chairman, the gentleman from New York (Mr. MURPHY) and his assessment of the conference report.

I do not wish to be repetitive, but I think it must be underscored that the new conference report in essence does the following:

First. Adds statutory language to insure that the final transfer of the canal cannot be effected before the year 2000.

Second. Includes the House-passed language providing for representative experience on the Board of the Panama Canal Commission from ports, labor, and shipping.

Third. Assures that all costs of implementation associated with the operation and maintenance of the canal will be fully recovered by the United States before Panama may receive the contingency payment authorized under the treaty.

Fourth. Tracks the treaty provision which prohibits retroactive taxation of

American citizens and businesses by Panama.

Fifth. Includes a provision similar to that reported by the Committee on Foreign Affairs, which requires the Administrator of the Panama Canal Commission to comply with Presidential directives issued through the military officer responsible for protection and defense of the canal. Further, the statement of managers makes it clear that this provision applies to any situation in which foreign military forces in Panama threaten the security of the canal.

Mr. Speaker, this conference report responds to the concerns expressed by opponents of the previous conference report, and yet remains within the parameters of the treaties. If this legislation is not passed, we would relinquish those rights accorded to the United States under the treaties, thereby jeopardizing our economic and security interests in the canal. The October 1 deadline is only 4 days away. It is imperative that we pass this measure now—for, if we fail to respond positively, the repercussions could haunt us for a long time to come.

Mr. Speaker, I urge the Members of this body to safeguard U.S. interests by adopting the conference report on H.R. 111.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. Yes, I am delighted to yield to the minority leader of the Committee on Foreign Affairs, my dear friend, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I wish to commend the gentleman in the well, the gentleman from Wisconsin (Mr. ZABLOCKI), the chairman of our committee for his statement. I wish to associate myself with his statement.

I concur in the statement made by the gentleman from New York (Mr. MURPHY).

I also want to compliment the gentleman from Maryland (Mr. BAUMAN) for his excellent role in working out what I think is an extremely important piece of legislation.

Mr. Speaker, on October 1, 1979, the Panama Canal treaties of 1977 enter into force, as approved by the U.S. Senate. I have consistently opposed those treaties and the manner in which they were negotiated and ratified. In fact, if I had been a member of the U.S. Senate, I would have voted "no" on their ratification. In my opinion, they fall short of providing what I consider to be the necessary safeguards for the protection of U.S. interests. Also, I am greatly disturbed by the lack of consultation by this administration and the denial of the proper constitutional role for the House of Representatives in the treaty negotiations and approved process.

However, we are faced with a new reality. Regardless of my personal opinion of the treaties, they have in fact been negotiated with Panama, ratified by the Senate and will take effect on October 1 with or without congressional approval. On that date, all prior treaties will be abrogated and all future U.S. rights to the continued control and operation of

the canal depend upon the implementation of the treaties of 1977. Consequently, it is imperative that the House meet its responsibilities and act to preserve and protect those rights by approving the necessary management legislation.

Without implementing legislation, we risk a disruption of canal services. There would be no canal authority to operate the canal. There would be no authority to pay the work force or operate schools and hospitals for U.S. personnel. More importantly, we would have no authority to keep U.S. Armed Forces there and exercise our right under the treaty to maintain U.S. control until the year 2000.

At this time when there is a growing Soviet/Cuban threat in the Caribbean and Central America, we cannot afford to jeopardize our continued control and operation of the canal. According to international law, our failure to implement these treaties, no matter what our opinion of their worth, would unnecessarily risk what rights we have protected. It would, moreover, give Panama an excuse to abrogate the treaties and terminate entirely our participation on October 1.

A closed canal or restricted access to it would have serious economic and security implications for this country. Vast amounts of cargo go to and from the United States via the canal. Thus, a closed canal would disrupt trade, as well as the flow of vital Alaskan oil through the canal to the eastern part of our Nation.

Because of my concern for our economic and security interests, I feel we have an overriding responsibility to protect U.S. treaty rights—now that the treaties are the law of the land—and insure the continued operation of the canal. That responsibility was the paramount concern of the conferees as they reconciled the differences between the House and Senate versions of the implementing legislation.

I am, therefore, gratified that the conference report allows the President to put the canal under U.S. military control if foreign combat troops are placed in Panama. The conference also accepted the House approved appropriated funds agency form for the new canal administration, guaranteeing the Congress a major role in the oversight of canal operations throughout the life of the treaty. Furthermore, the conferees reflected the House concerns over its constitutional role in the transfer of property by requiring that all future transfers under the treaty will be subject to congressional approval.

Mr. Speaker, I support the conference report on the implementing legislation for the Panama Canal treaties.

Mr. ZABLOCKI. Mr. Speaker, I want to thank the gentleman for his comments and again commend the gentleman, too, for his leadership on this very vital issue.

Mr. BAUMAN. Mr. Speaker, I yield 2 minutes to the ambassador from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, with the Senate having acted to pass the implementing legislation, this vote in the

House completes the legislative need forced upon us by Senate ratification of the Panama Canal treaties.

Mr. Speaker, I recognize that if this body had had a voice in ratification of the Panama Canal treaties, we might not be faced with the responsibility of fashioning implementing legislation today.

But the fact is, the treaties exist and will be in effect as of October 1. We have a responsibility to carry out the international obligations negotiated by President Carter and approved by the Senate. But we also have the responsibility to maintain the strongest possible defense and the most efficient management of canal operations.

The issue is clear. We have a better bill than passed by the Senate. We achieved as much in conference as the House could expect.

It must also be noted that the gentleman from Maryland (Mr. BAUMAN) insisted that the conference report contain language to allow the President to place the canal under military control if foreign combat troops are placed in Panama. My colleague, Mr. BAUMAN, and I have been disturbed by the friendship between Panama and Cuba, and, therefore, this language would serve to protect the United States if a Cuban or Soviet brigade were brought into Panama.

The key points are these. The canal itself will not be transferred before 1999. Between now and then, any transfers of property will be subject to congressional approval upon 180-days notice from the President.

Our responsibility was to protect the rights of the United States under the treaties. We have insured the smooth and safe operation of this vital waterway. The passage of this bill is in the best interests of the United States.

Mr. Speaker, I have heard the cries of "vote" and after you hear my words of wisdom, I think it will be appropriate that you do vote.

I would suggest that the best interests of the United States, the truly diplomatic vote, the pro-American vote, is to support this conference report.

Earlier the gentleman from New York (Mr. MURPHY) had politely needed our friend, the gentleman from Maryland. I am not quite so sure that the gentleman was accurate in giving all the plaudits to the gentleman from Maryland.

To sum up the whole picture we more than effectively protect the U.S. interests. We want the canal to function on October 1. Passage of this legislation is essential. It is good politics for the United States. It is good diplomacy. It is good military policy and, it also serves our commercial interests.

I would hope we can have, not a narrow vote, but a good strong House vote for this conference report.

Mr. MURPHY of New York. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Mississippi (Mr. BOWEN).

Mr. BOWEN. Mr. Speaker, I have a great deal of faith in the fundamental intelligence and patriotism of the Amer-

ican people in their ability to separate the wheat from the chaff, their ability to see what clearly is and is not in the national interest. I think they can and will see very clearly that closing the Panama Canal, bringing our troops home, severing a vital military and economic lifeline of America, is certainly not in our national interest.

A few days ago I heard someone standing here in the well who suggested that in effect we should let Panama try to throw us out of the Canal Zone. I want to assure you that if we do not pass this conference report, it will not be necessary for anyone to throw us out of Panama. We will be ordering our own people home if we defeat this conference report.

Last week we appropriated funds for an agency to be known as the Panama Canal Commission, but that agency is not yet in existence, and it is not possible to expend appropriated funds for a figment of the imagination. That agency will not be created unless and until we approve this conference report. Without the creation of that agency, our 6,000 civilian personnel in Panama will be out of work. They and their families will be unemployed. They will have no place to go but back home to America. I do not think we want that exodus to take place.

By the same token, if we fail to carry out our treaty right and obligation, one which we sought diligently over several years of negotiation, the right to manage, operate and maintain the canal for the remainder of this century, spelled out in article III of the treaty, then clearly we will be in violation of that treaty. We will be in default of our treaty obligation, and under international law the Republic of Panama would be authorized to terminate the treaty. If that tragic event should happen, we would no longer retain the right to keep our military forces in Panama.

I happen to believe that with 3,000 Soviet combat troops in Cuba, this is no time to pack up our bags and pull out of Panama, no time to withdraw our military forces from that critical area.

I sincerely hope that by the year 2000 General Torrijos will not be in a position of responsibility in Panama, and I have every reason to think that will be the case. I sincerely hope that by the year 2000 there will be a great deal more political and economic stability in Panama and in all of Central America. I certainly hope that by the year 2000 there will be no Russian troops in the Caribbean. I hope that by the year 2000 it will not be necessary for us to rely upon the Panama Canal so heavily for our ocean commerce and for the military security of our Nation. I hope that we will have developed alternate routes and methods of transportation between the Atlantic and the Pacific. But for 1979 and 1980 and the two decades thereafter it is essential to every American that we retain the right to administer and defend the Panama Canal, a right we have exercised wisely for 65 years and one that I am confident we will exercise wisely for the next 20.

Mr. Speaker, I believe that the Amer-

ican people can very clearly perceive these facts, and if some of them do not, then it is our duty to help them understand them just as it is our duty to do what is right and what is in our national interest today.

Mr. Speaker, I urge support for this conference report.

Mr. BAUMAN. Mr. Speaker, I yield 6 minutes to the gentleman from Idaho (Mr. HANSEN), who has been one of the leaders in opposition to the treaties.

□ 1110

Mr. HANSEN. Mr. Speaker, I, too, commend the gentleman from New York (Mr. MURPHY) and the gentleman from Maryland (Mr. BAUMAN) and all who have labored long and hard over this agonizing decision.

I am amazed, however, to hear the chairman of the committee say we have to vote for this legislation, or else. Are we nothing but a parrot for the President? Are we nothing but a parrot for the Senate?

We are free men and women and coercion has no place here. Our interests can only be protected if we vote "no" and we should vote "no" because this conference report is little improvement over the one last week which we defeated.

First. Little has been cut from expenses.

Second. Property transfer processes are still virtually uncontrolled.

Third. Retro-tax protection has no teeth.

Fourth. There are no real restrictions against stationing Russian or Cuban troops in Panama.

Fifth. There are no means for withholding transfer of property or payment of funds to Panama if they violate the terms of the treaties.

Mr. Speaker, this is a most historic occasion. Today we will find whether the Members of this great body will have the courage and foresight to head off the startling decline of the United States of America.

Mr. Speaker, make no mistake, the Panama Canal treaties are a rip-off negotiated by big bankers for the benefit of big international bankers to bail out \$2 billion in reckless loans given to the Marxist dictator Omar Torrijos. A \$20 billion asset and \$100 million a year in cash is a quick fix for the dictator and the bankers, but it costs every American family \$500.

These terrible treaties also endanger the Nation's oil supply and they endanger our vital sea lanes and waterways.

There is now great hue and cry to set aside the SALT II treaty because of Soviet combat troops in Cuba. Why are the Gerald Fords, the Howard Bakers, the Frank Churches, and the Richard Stones not asking the same set-aside of the Panama Canal treaties? After all, Cuba is between the United States and Panama and between the United States and our oil import supply, and it is the Castro-Torrijos axis now spreading Marxist terrorism throughout the Caribbean.

The irony of the situation is that Senators CHURCH and STONE have protested

so loudly about Russians in Cuba but they voted against Senator DOLE's amendment which would have kept the Soviets out of Panama.

And to watch that erosion of principle in this serious matter is most disturbing. We hear of trade-offs for the Tellico Dam. We see parliamentary maneuvers and sophistry replace principle. The great article IV fight long waged by the gentleman from New York, the chairman of the committee, is going by the board with hardly a whimper. No wonder the American people are disillusioned with politics.

I cry for the taxpayers and the consumer—the interest rates, the costs, the taxes are unbelievable.

I cry for the school child who believes in America and hopes for the same future we have enjoyed.

We are not giving the Panama Canal to the people of Panama. It is being given to an oppressive dictator who has destroyed their rights and bankrupted their treasury. The people of Panama are not happy and every few days hundreds are chased into the American Canal Zone. Where do they go if we go?

The treaties are locking the chains on the people of Panama and bailing out a hostile dictator and the bad loans of big international banks at the expense of American families.

The issue is not the shadings and double talk of the conference report which is still a copout to the State Department and the Senate.

The real issue is the give away of the Panama Canal.

With Soviet combat troops in the Caribbean—do we dare give away the Panama Canal?

With Castro and Torrijos spreading Marxist terrorism around the Caribbean—do we dare give away the Panama Canal?

With Soviet and Cuban troops standing between us and 75 percent of our oil imports—do we dare give away the Panama Canal?

Those Russian troops are the trainers of Castro's Africa corps.

Those Russian troops are training Marxist terrorists and revolutionaries all over the Caribbean—undermining our most vulnerable area.

Those Russian troops, thanks to Castro and Torrijos, already have the scalps of many old U.S. friends on their belt like Granada and Nicaragua and they are now reaching for El Salvador and Guatemala. And listen to this State Department FBIS report from Colombia on September 20, "Guerrilla action by the Revolutionary Armed Forces of Colombia (FARC) might resume thanks to the announced arrival in the country of groups trained in specialized camps in the Soviet Union and Czechoslovakia."

Will we reward the Russians and Castro and the Marxist bandit Torrijos and the reckless international bankers by giving away the Panama Canal and billions of American dollars?

I want no part of it and, mark my words, those who fail to help stop this

tragedy this day will soon regret their part in the betrayal of this great Nation.

The greatest of all issues today is do we have the guts in the United States House of Representatives to do what the American people want—what we know is right—what must be done to preserve this Nation? Do we have the guts to defeat this conference report? I pray that we do.

Mr. MURPHY of New York. Mr. Speaker, will my colleague yield?

Mr. HANSEN. Yes; I do yield to my colleague from New York.

Mr. MURPHY of New York. Mr. Speaker, I want to take this opportunity to express my strong feelings that the gentleman from Idaho has assisted this House in arriving at a very solid and tight conference report. The pressure and the statements the gentleman has just made to this body are shared by many Members of this body. The statement the gentleman has made would be a most eloquent speech to vote against the Treaty of 1977. But we are not considering the Treaty of 1977 today. We are at the last point, the point of no return, of implementing that treaty regardless of its merits.

Mr. Speaker, what we have done today, of course, the gentleman from Idaho has assisted us in doing. He has brought us to the point where we have tightened down. We have tightened down in all of the security areas the gentleman has just mentioned. I would share the gentleman's sentiments on a treaty vote but we must stand on the word of America and vote for this legislation.

Mr. HANSEN. Mr. Speaker, I regret that we do not agree but I thank the gentleman from New York for his kind remarks and many considerations over the months this legislation has been considered.

Let me add this Mr. Speaker.

Staying power is the mark of a winner in any human endeavor. Today's vote is the final test of staying power.

From the beginning of this debate, the House has resisted the giving away of the Panama Canal. We defended rightly our constitutional role in the disposition of territory at every step of the way. In response to our constituents, we have resisted the transfer.

And we have been proven right at every step of the way. It is a bitter irony that many treaty proponents in this House have tried to claim opposition to the very transfer which they are to the end attempting to force on the Nation.

There is no doubt that treaty and implementation opponents have carried every point of the debate. We have been right on the dollar costs. We have been right on the economic damage. We have been right on the defense damage. And we have been right that you can not buy the friendship of notorious Communist revolutionary regimes by paying tribute and giving away our national heritage.

Now despite all the facts, despite all the law, despite all the pragmatic considerations, our only choice today is still the bill of the treaty proponents. Since they

have the weaker side of the facts and the law, their biggest weapon has been coercion and erosion. I think it is fair to say that today's vote will in large measure be a test of our staying power.

Our arguments have prevailed. We are in the right. Then how could we lose? We can lose only if we fail to remember that the validity of the original perception of the House, that it is the last protection of the people, remains unimpaired; we can lose only if fright overcomes right.

Mr. Speaker, without detracting from any of the other arguments against the conference report, there is the question of whether this House has any legislative function at all. This week, the Senate passed the conference report on the Department of Education. It was the Senate bill. The House bill was simply rejected. Nor is this the first time that we have rolled over to play dead for the other body. Now, after pledges from our conferees that they would be Horatius at the bridge, we are going to vote on the administration bill which originally came here as H.R. 1716.

We play our little charade that we are legislators and then the other body tells us what we may pass. Perhaps this is the time to tell the other body that our votes mean what they say.

Now, Mr. Speaker, the House voted "no" to treaty implementation 203-192.

This week, the House should again vote "no" for the same reasons.

Many voted "yes" when they wanted to vote "no" because of fear—fear that we must have implementation to prevent chaos and reprisal in the Canal Zone on and after October 1.

First, fear of reprisal by another nation is a poor reason to act on any bill of any kind. It is doubly wrong when the matter under consideration will determine relationships both domestic and foreign for many years to come.

Second, in order to assure ongoing control and operation of the Panama Canal after October 1, I have prepared a lawsuit to be filed this week to support continued rejection of treaty implementation legislation:

First. The court will be asked to preserve the status quo, that is, continuation of the Panama Canal Company until such time as Congress shall have finally dealt with the matter of implementation.

Second. The suit will contest the entry into effect of the Panama Canal Treaty of 1977 on the grounds that such treaty cannot go into effect lacking implementing legislation—a position the administration appears to share in view of its coercive drive to force implementation of its own bill under several disguises.

Third. This court action will raise the question of the legality of a treaty which contains contractual disagreements such as the DeConcini reservation on the United States side and the lack of the same reservation on the Panamanian side (Is there a meeting of the minds on the same treaty?).

Fourth. The suit will raise the issue of whether there can no longer be a treaty

in view of the violations of neutrality by Panama and its continuing activities as the staging area for Soviet and Cuban terrorism and revolution in the Western Hemisphere.

The attorneys are convinced our case is valid, our standing is solid and our issue is classic.

If the presence of Soviet combat troops in Cuba makes you uneasy, then the new intelligence that this is a highly skilled group which helped organize the Cuban Africa Corps and is training insurgents all over Latin America should disturb you even more.

Despite a toothless pronouncement in the conference report, neither the treaties nor the implementing legislation prevents Soviet or Cuban troops in Panama and the current heavy Russian presence there as advisers and attachés should give us a signal of things to come.

For those who doubt the marxist influence and Soviet activities, let me quote a few excerpts from U.S. State Department Foreign Broadcast Information Service (FBIS) Reports:

We want to tell the Panamanians that any attack on Panama is an attack on Nicaragua, Interior Minister and Revolutionary Commander Tomas Borge said emphatically here today. (Managua—20 Sept. 1979). Borge is a member of the Supreme Command of the Sandinist People's Army and of the Joint National Directorate of the Sandinist National Liberation Front.

Commander Borge added firmly that if it is necessary to defend the canal with weapons in our hands, we are willing to go to Panama with our Sandinist forces, carrying the rifles of the revolution.

We want our Panamanian companions to tell the people of Panama, to tell General Torrijos, that the slogan of Nicaragua is also applicable to Panama—the slogan of free fatherland or death.

Companero Humberto Ortega Saavedra, the commander of the revolution and member of the Joint National Directorate of the Sandinist National Liberation Front, at a news conference in Managua on Sept. 21, 1979 said: "Therefore, we cannot view the Panamanian problem as a problem exclusive to Panamanians, but we must see it as a problem of Latin Americans, of Central Americans and also of Nicaraguans, because Panama supported and continues to support the Sandinist cause. We cannot leave the Panamanian people alone in their struggle against imperialism."

Bogota, Sept. 20, 1979—Guerrilla action by the Revolutionary Armed Forces of Colombia (FARC) might resume thanks to the announced arrival in the country of groups trained in specialized camps in the Soviet Union and Czechoslovakia, experts noted here today. According to information obtained by the state intelligence services, a group of 30 FARC guerrillas returned secretly to Colombia after taking a 4-month course of weapons and military tactics in those two communist countries.

If before the treaty trigger date, the connection between Torrijos, Castro, and the Soviets is flaunted in our faces, what are we to expect after October 1, unless the Congress demonstrates our unwillingness to be treated like fools and paties?

Mr. Speaker, the people of this Nation are still deeply disturbed about the Panama Canal treaties as is shown by Res-

olution 524 which was passed at the 61st Annual Convention of the American Legion in August of this year.

Resolution 524 deploras any and all actions by the U.S. Congress which resulted in U.S. citizens actually paying to give away U.S. property, and urges all U.S. citizens to remember at the polls in 1980 those U.S. Senators and members of the House of Representatives who voted for this infamous transfer. Further, urges the U.S. House of Representatives to continue its dynamic role as "Keeper of the nation's purse" and continue to assert its right to refuse funds which will be required by many agencies of the U.S. Government to implement the Panama Canal Treaties.

The new conference report denies the Congress control over our territory and continues to impose a cost of hundreds of millions on American taxpayers. As such it cannot be accepted. Commonsense tells us that we have been right all along. Now everything rides on this one final vote—for the Nation's security, for the people at home, for many good reasons, we should vote down the conference report.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. McCloskey).

Mr. McCLOSKEY. Mr. Speaker, I would like to address my comments to those who feel honestly that the Panama Canal Treaty hurts the national security interests of the United States, and to try to give two reasons why I think those interested in the national security should vote for this conference report.

A former President, President Monroe, once laid down a doctrine that ruled the attitudes of foreign nations toward our hemisphere for many, many years. The Monroe Doctrine, in effect, said that it would be viewed as an unfriendly act if a foreign nation established a military presence in our hemisphere.

Due to the efforts of one man, the gentleman from Maryland (Mr. BAUMAN)—and I think as the chairman just said, perhaps the gentleman from Idaho (Mr. HANSEN) should be added, because of the pressure he brought on the conferees—but because of the influence the gentleman from Maryland (Mr. BAUMAN) and because of the gentleman's viewpoint, if we enact this conference report into law we will be reiterating the Monroe Doctrine. I would call it the Bauman Doctrine, and I want to read to you what will be in this conference report if the President signs the bill:

... under any circumstances in which foreign combat troops or military forces (other than those of the United States as provided in the Panama Canal Treaties of 1977) are located within the Republic of Panama—

At that point the President of the United States has the power to put the Canal Zone under Defense Department administration and control.

Mr. Speaker, in effect this is a reiteration of the Monroe Doctrine. You might call it the Bauman Doctrine of 1979, that if a foreign power should introduce troops into a nation in Central or Latin America, the Panama Canal Defense

Treaty permits putting the canal on a defense basis.

Mr. Speaker, it seems to me this is a clear signal to the rest of the world as to how the United States views the canal for security purposes. It would be a fine thing if this House could provide a unanimous vote as a congressional reiteration of the Monroe Doctrine at this time.

Mr. Speaker, the President has not taken this step with respect to Russian troops in Cuba, either at the time of the Cuban missile crisis under President Kennedy or today under President Carter.

We Republicans from time to time have indicated criticism of a Democratic President when we felt that that President did not present a strong face to foreign nations with respect to foreign policy. What could be better than if the Congress of the United States gives a unanimous affirming declaration that we affirm this doctrine that foreign troops should not be located in a neutral country in this hemisphere, and that if so, we are instructing our President that he has the power to take defensive action.

Mr. Speaker, it seems to me for the foregoing reason alone we should try to pass this conference report unanimously.

A second reason lies in the need at this time to demonstrate to the world that our governmental processes work; that when our President negotiates a treaty and the Senate by two-thirds majority ratifies it, we in the Congress can enact legislation to fairly implement it.

□ 1120

Mr. MURPHY of New York. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. Mr. Speaker, this hopefully will be the last vote that we have on this issue.

I think it is important to review the facts as to who some of the people are who have supported dealing with this issue, putting it aside, and getting on with the work of this House and the Congress and the foreign policy of this Nation. They include William F. Buckley, Gerald Ford, and Henry Kissinger. ROBERT BAUMAN signed this report, as did STROM THURMOND, JOHN WARNER, and JOHN STENNIS—hardly people that one can consider liberal-progressive. But certainly they recognize that we are at a point in this House and in this Nation at this time where we are risking—literally risking—lives of American people in the Canal Zone.

I had thought that the policy of brinkmanship of John Foster Dulles had gone out the window years ago, but we have played this brinkmanship game on Panama so close that this Member is personally scared and fearful for the people we have down in Panama today, 10,000 of them.

We have a tough bill. It got tougher in subcommittee, it got tougher in the

full committee, and it was strengthened on the floor of this House. Then it was strengthened in conference. We got 80 percent of what we wanted from the Senate. We went back, and we got more in this last conference. I do not know what more we can ask for.

I would suggest that we consider that there are serious implications to those people we have stationed in Panama today. I would further suggest that politically we consider our votes against this conference report if it fails. How is that vote going to be interpreted if indeed there is violence in the Panama Canal Zone?

The gentleman from Maryland (Mr. BAUMAN) has indicated that we should not vote on threats that there will be violence, but I do not know how at this point we can take that away or subtract that from our consideration. It is real. It is very, very real.

So, Mr. Speaker, in this last minute I would ask my colleagues to try to recoup some form of grace from this whole episode. I would ask them to support our committee chairman, to support the majority of the members of the conference committee who supported the bill, and to adopt the conference report this morning.

Mr. BAUMAN. Mr. Speaker, I yield 4 minutes to the gentleman from South Carolina (Mr. SPENCE).

Mr. SPENCE. Mr. Speaker, I am against the Panama Canal Treaty and any legislation that would help give the Panama Canal way.

I cannot believe what I have heard here today. As most of you Members know, I only speak on important matters. I do not get emotional too often, but I am concerned about what is happening to this country.

We hear today the same kind of talk we heard before World War I, before World War II, and before every other attempt that has been made to "feed the alligator" and appease our enemies. We have sunk to the low place we have reached, in the eyes of many people in this world today, because we have given in so much that we have been pushed around by everybody, and we invite more of the same thing.

It is like the situation when you are walking down the street with your wife and you meet some person who wants her. He says, "Give her up or I'll fight you," and so you give her up. When do you draw the line?

Let me quote from somebody who knows about these kinds of things. Solzhenitsyn, when he was speaking of the "sickness of the will" in the free world, said this:

The spirit of Munich prevails in the 20th Century. The timid civilized world has found nothing with which to oppose the onslaught of a sudden revival of bare-faced barbarity, other than concessions and smiles. * * *

And tomorrow, you'll see, it will be all right. But it will never be all right! The price of cowardice will only be evil; we shall reap courage and victory only when we dare to make sacrifices.

What has happened to us? What has

appeasement gotten us? Where are our real leaders of the past? "Millions for defense, but not one cent for tribute." "54-40 or fight."

If we had the same kind of leaders today that we had in the past, we would not have Torrijos around talking as he is talking about pushing us out of the canal.

Mr. MURPHY of New York. Mr. Speaker, would my colleague, the gentleman from South Carolina, yield?

Mr. SPENCE. Yes, in just 1 minute, after I have finished this point, I will yield.

Mr. Speaker, we hear that this is the only way to insure our continued use of the canal. Treaties, as we ought to know from the painful lessons of history, are lived up to by those kind of people only as long as it is to their advantage to do so. The next man can always say, "I wasn't in office when they made that treaty. I don't agree with it, and so I can't go along with it."

When do we draw the line? When it comes to Alaska? Florida? California? Oregon? Manhattan?

In order to prevent a fight, will we ever draw the line?

Mr. MURPHY of New York. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I will be glad to yield to the gentleman from New York.

Mr. MURPHY of New York. Mr. Speaker, at this present time the 75th Rangers Brigade is on its way to Panama, ostensibly for maneuvers in the Inter-American School of the Armed Forces that operates there. I do not think that we have to draw a picture for the Members of this House to understand they are going down there not for a question of appeasement but for a question of enforcing America's responsibilities if we do not act responsibly today.

Mr. SPENCE. Mr. Speaker, I will conclude only by saying that if we pass this legislation, history will prove I am right.

Mr. BAUMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. BETHUNE).

Mr. BETHUNE. Mr. Speaker, the entire Panama Canal issue would not be here at all had it not been for the masterful job of bootstrapping that the President and Senate did throughout the entire process. Misrepresentations were made from the outset about the cost of this project. Misrepresentations were made about the right to defend and about the stability of the government in Panama.

I said earlier this year, and I repeat—and I truly mean it—that I think it has been the worst mistake we have made in some 20 years for the President and the Senate to deliver up these treaties. That is now manifestly clear to me, after all I have heard as a Representative here in this Chamber.

I agree with the gentleman from Maryland (Mr. BAUMAN) that we need implementing legislation. I agree with the chairman of the committee (Mr. MURPHY) on that score. I think it would be the second worst mistake we have made in this country if we did not pass some implementing legislation.

I voted for the original bill on June 21 when it was considered here. My colleague, the gentleman from Arkansas (Mr. ALEXANDER), joined me. That was not a popular vote in the southern States or in Arkansas, and particularly for a brand new Republican in a Democratic State, but I did it because I thought it was the right thing to do.

I voted against the first conference report that came back here, the so-called Bauman bill, because I thought it was a compromise and I thought we ought to send it back to the conference committee and let them rework it.

Now, the "Son of Bauman," as it has been referred to, is not a pretty child, but the fact is, it is the only one we have and there is no time left to do anything about it. We do not have time to produce a "Grandson of Bauman."

So, Mr. Speaker, it seems to me that if we need this bill, if we need implementing legislation and there is no time to produce another bill, then we ought to adopt this conference report. But the simple fact is that it is not going to pass unless some of us here hold our noses and vote for it. That is why I am going to vote "aye" on the conference report.

Mr. MURPHY of New York. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I would like to take this time to commend the gentleman from Arkansas (Mr. BETHUNE), who just spoke, and especially the gentleman from Mississippi (Mr. BOWEN), who is a member of the committee, for the courage they have demonstrated in standing up and telling the truth to the people they represent.

□ 1130

Several years ago I conducted a poll in my district to poll my constituents on the question of the proposed Panama Canal Treaty. Approximately 85 percent of the people of my district responded negatively. They were ready for someone to take the stump and stir their emotions against the treaty; they were receptive to being outraged, ready to draw the line and fight for what Americans consider to be our "rights" in the Western Hemisphere.

It would have been very easy to accommodate this political climate. But it is much more difficult to tell the people the truth about Panama to prevent a confrontation and I commend the gentlemen for the courage that they have demonstrated and the leadership that they have shown.

Mr. MURPHY of New York. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Tennessee (Mrs. BOUQUARD).

Mrs. BOUQUARD. Mr. Speaker, I doubt that any Member of this Chamber has more consistently opposed the transfer of the Panama Canal than I have. I wish it were possible to calculate the number of votes, manhours, and effort that this Congress has put into debate and maneuvering on this issue. But, we

are now to the point of simply refusing to accept the reality that U.S. control over the Panama Canal is at an end. In fact, we have stepped over the line of reason and are now threatening what little presence we still maintain in the Canal Zone.

If we fall today to enact this conference report, the President will have no choice but to remove U.S. Forces and personnel from the Canal Zone by October 2. That will create a void into which insurgent forces will move. No Member of this body can honestly say to themselves or to their constituency that a vote against this bill is in the national interest of the United States. Now, our own national security, that of Latin America, and of the Caribbean, will best be served by the enactment of this measure. That is a simple, straightforward statement of a political and legal fact. I wish it were not true, I wish the United States still retained control of the Panama Canal, but wishing does not and will not ever make it so.

It is our responsibility as legislators to protect the vital interests of this Nation. The Panama Canal Treaty is a fact. If we are to avoid even worse consequences for this Nation, we must act responsibly and rationally to protect what little U.S. influence remains, as well as internal stability of the Canal Zone. The only way we can now accomplish that goal is the passage of this bill.

Those of you who in the past have, like myself, opposed the Panama Canal treaties, I think we were right, but we were not successful. We must not compound that loss by shortsighted, counterproductive posturing on this issue.

I urge my colleagues to support the enactment of this conference report on H.R. 111.

CALL OF THE HOUSE

Mr. BOWEN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 508]

Abdnor	Bereuter	Carney
Addabbo	Bethune	Carr
Akaka	Bevill	Cheney
Albosta	Biaggi	Chisholm
Alexander	Bingham	Clausen
Ambro	Blanchard	Cleveland
Anderson,	Boggs	Clinger
Calif.	Boland	Coelho
Anderson, Ill.	Bolling	Coleman
Andrews,	Boner	Collins, Ill.
N. Dak.	Bonior	Collins, Tex.
Annunzio	Bonker	Conable
Anthony	Bouquard	Conte
Applegate	Bowen	Corcoran
Ashbrook	Brademas	Corman
Atkinson	Breaux	Cotter
AuCoin	Brinkley	Coughlin
Badham	Brodhead	Courter
Bafalis	Brooks	Crane, Daniel
Bailley	Broomfield	Crane, Philip
Baldus	Brown, Calif.	D'Amours
Barnard	Brown, Ohio	Daniel, Dan
Barnes	Bryhill	Daniel, R. W.
Bauman	Buchanan	Danielson
Beard, R.I.	Burgener	Dannemeyer
Beard, Tenn.	Burison	Daschle
Bedell	Burton, John	Davis, Mich.
Bellenson	Butler	Davis, S.C.
Benjamin	Byron	de la Garza
Bennett	Campbell	Deckard

Dellums	Jones, N.C.	Quayle
Derrick	Jones, Okla.	Kahall
Derwinski	Jones, Tenn.	Rallsback
Devine	Kastenmeier	Ratchford
Dickinson	Kazen	Regula
Dicks	Kelly	Reuss
Dingell	Kemp	Rhodes
Dixon	Kildee	Richmond
Donnelly	Kindness	Rinaldo
Dornan	Kogovsek	Ritter
Downey	Kostmayer	Roberts
Duncan, Tenn.	Kramer	Roe
Early	LaFalce	Rostenkowski
Edgar	Lagomarsino	Roth
Edwards, Ala.	Latta	Rousselot
Edwards, Calif.	Leach, La.	Roybal
Edwards, Okla.	Leath, Tex.	Royer
Emery	Lee	Rudd
English	Lehman	Russo
Erdahl	Leland	Sabo
Erlenborn	Lent	Satterfield
Ertel	Levitas	Sawyer
Evans, Del.	Lewis	Schroeder
Evans, Ga.	Livingston	Schulze
Evans, Ind.	Lloyd	Sebelius
Fary	Loeffler	Sensenbrenner
Fascell	Long, La.	Shannon
Fazio	Long, Md.	Sharp
Fenwick	Lott	Shelby
Ferraro	Lowry	Shumway
Findley	Lukens	Shuster
Fish	Lundine	Simon
Fisher	Lungren	Skelton
Fithian	McClary	Slack
Flippo	McCloskey	Smith, Iowa
Florio	McCormack	Smith, Nebr.
Foley	McDade	Snowe
Ford, Mich.	McHugh	Snyder
Ford, Tenn.	McKay	Solomon
Forsythe	Madigan	Spellman
Fountain	Maguire	Spence
Fowler	Markey	St Germain
Frenzel	Marks	Stack
Fuqua	Marlenee	Staggers
Garcia	Marriott	Stangeland
Gaydos	Martin	Stanton
Gephardt	Matsui	Steed
Gialmo	Mattox	Stenholm
Gibbons	Mavroules	Stewart
Gilman	Mazzoli	Stockman
Gingrich	Mica	Stratton
Ginn	Michel	Studds
Glickman	Mikulski	Stump
Gonzalez	Miller, Calif.	Swift
Goodling	Miller, Ohio	Symms
Gore	Mineta	Synar
Gradison	Minish	Tauke
Gramm	Mitchell, Md.	Taylor
Grassley	Mitchell, N.Y.	Thomas
Green	Mollohan	Thompson
Grisham	Montgomery	Traxler
Guyer	Moore	Trible
Hagedorn	Moorhead,	Ullman
Hall, Ohio	Calif.	Van Deerlin
Hall, Tex.	Moorhead, Pa.	Vander Jagt
Hamilton	Mottl	Vanik
Hammer-	Murphy, N.Y.	Vento
schmidt	Murphy, Pa.	Volkmer
Hance	Murtha	Walgren
Hansen	Myers, Pa.	Walker
Harris	Natcher	Wampler
Hawkins	Neal	Watkins
Heckler	Nedzi	Waxman
Hefner	Nelson	Weiss
Heftel	Nolan	White
Hightower	Nowak	Whitehurst
Hillis	O'Brien	Whitley
Hinson	Oaker	Whittaker
Holland	Oberstar	Whitten
Hollenbeck	Obey	Williams, Mont.
Holt	Ottlinger	Wilson, Bob
Hopkins	Panetta	Wilson, C. H.
Horton	Pashayan	Wilson, Tex.
Howard	Patten	Wirth
Hubbard	Patterson	Wolpe
Huckaby	Paul	Wright
Hughes	Pease	Wyatt
Hutto	Pepper	Wylder
Hyde	Perkins	Wyllie
Ichord	Petri	Yates
Jacobs	Peyser	Yatron
Jeffords	Pickle	Young, Alaska
Jeffries	Preyer	Young, Fla.
Jenkins	Price	Young, Mo.
Jenrette	Pritchard	Zablocki
Johnson, Calif.	Pursell	Zefereetti

□ 1140

The SPEAKER pro tempore (Mr. STEED). On this rollcall 374 Members

have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

□ 1150

CONFERENCE REPORT ON H.R. 111, PANAMA CANAL ACT OF 1979

Mr. BAUMAN. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. PASHAYAN).

Mr. PASHAYAN. Mr. Speaker, I rise in support of the conference bill. The 11th hour is now upon this body. There is no time for any more conferences or ideology. What we do here today, or fail to do, will have terrible consequences not only on the position of the United States in Central America, a foremost consideration, but also on the nation of Panama itself. Inaction by the Congress could well have devastating effects.

I have before me a statement by the gentleman from Idaho (Mr. HANSEN) that he intends to initiate another lawsuit, bringing into question the legality of the treaties once again. Hereto, it has been the gentleman's stated position that this body, being an independent branch of the Government from the judicial, is within its right or power to refrain from an earlier Court decision on the treaties. Now my colleague seeks refuge in the judicial system, and I welcome him there, for it has always been my view that the Court has spoken, and spoken finally, on the matter of the treaties. I should therefore like to remind my good friend and this House that the Court has upheld the treaties as legally binding, by stating:

In deciding that Article IV . . . is not the exclusive method contemplated by the Constitution for disposing of federal property, we hold that the United States is not prohibited from employing an alternative means constitutionally authorized. Our judicial system in deciding this lawsuit is confined to assessing the merits of the claim . . . that in . . . the transfer of property of the United States, the Treaty power as contained in Article II . . . was not legally available to the President. We hold, contrarily, that this choice of procedure was clearly consonant with the Constitution.

That is the law as it stands today, and as it will stand on October 1, the date when the 1903 Treaty dies and these new treaties spring to life.

The important question is whether or not the United States shall maximize its presence and control in Panama in the next 20 years. If we should fail to furnish legislation, this Nation may well be put in breach of treaty in international law. If so, under what auspices are we to remain in Panama with military troops and personnel to operate the canal? Some claim that the Treaty of Neutrality will permit continued military presence. But I cannot see that the breach of a treaty by the United States is an action calculated to maintain neutrality in Panama; to the contrary, it may well contribute to civil agitation, and worse yet, murder and revolution; it may well invite foreign powers to supplicate the Panamanian Government against the United States; it may well cause the

flame to be put to the flag of the United States.

No, Mr. Speaker, our course must be steady. I do not want the Panamanians to maintain and operate the canal in the next 20 years. I do want U.S. personnel to operate the canal. I do want the United States to maintain a military presence in Panama, legally and effectively. The very reasons that the opponents of the treaty have urged the United States to keep Panama, are the very reasons that the United States now must maintain its presence in Panama for the next 20 years. At the very least, crude oil from the North Slope in an amount of 300,000 to 500,000 barrels per day is shipped through the canal. Other commodities vital to the bustling industries of our ports are also shipped through the canal. It is important to American interests that we protect this commerce.

More important is the situation, revolutionary in spirit, that now pervades the entirety of Central America and the surrounding seas. I do not know what revolts or revolutions or other forms of outburst and agitation will occur there, but whatever the fire may be, the United States must be there to quench the flame.

I am not any happier with the treaty than is the gentleman from Maryland (Mr. BAUMAN) whose signature appears on the conference report, and whose vote I hope will follow his signature. But the President and Senate have left us with no choice.

We must act decisively today and our decision must be to keep control and protection of American interests in Panama; anything less would blemish the American adventure espoused by Teddy Roosevelt and other heroes of American history, in whose spirit and toil the Panama Canal, an almost incredible feat, was first built.

Mr. BAUMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I rise in opposition to the implementation legislation. I think it is wrong. I still believe we could achieve a better end product by going to another conference.

Let me review the reasons why I feel very strongly the House should return to a conference to insist on certain protections for the United States:

First. The new conference report denies the Congress control over U.S. territory and its disposition.

Second. There are estimates that this transition of control of our canal will cost the American taxpayer at least \$3 to \$4 billion. That is a high price for American taxpayers to pay for a giveaway.

Third. There should be a firm prohibition against any foreign troops in the Canal Zone. Further the right of the United States to force such troops to leave prior to the year 2000 (committee language saying it should not occur is not enough.)

Fourth. This legislation far exceeds the provisions of the two treaties allowing the executive branch to arbitrarily give up the whole package at any time.

Mr. BAUMAN. Mr. Speaker, I yield the remainder of my time, 2 minutes, to the gentleman from Illinois (Mr. PHILIP M. CRANE).

Mr. PHILIP M. CRANE. Mr. Speaker, there is one portion of our Constitution that all of us should keep in mind as we finally reach the end of this prolix debate. That portion is article IV, section 3, clause 2 of the Constitution which states that Congress shall have the power to dispose of territory and property of the United States.

I do not think there is any debate about the canal and the zone being territory and property of the United States. Moreover, in defining Congress, there is no confusion as to our role and responsibility in finally making the judgment as to whether territory and property shall be given away.

I have heard some discussion about standing behind the commitment of the United States. Well, who are the United States? The American people indicated in polls their overwhelming objection to alienation of the zone and the canal. And the House of Representatives, being the people's body, is a closer reflection of the United States of America than the upper body or the executive branch. That being the case we have as instrumental a role in this whole business as anyone, and we should have been consulted by the President and the Senate before they made any international commitments.

There is historic precedent for this. The House did participate when we alienated property in the zone by giving it to Panama in 1955.

So as we approach this final vote, I would ask my colleagues to keep in mind that we in this body, each and every one of us, are the ones who ultimately will make the decision as to whether our canal is given away. We must think long and hard on our responsibilities to the American people, particularly in light of the comments we have heard by my distinguished colleague from Idaho with respect to alien influences in the Caribbean.

This is not the time that the United States should be retreating, and I would hope the conference report would be rejected.

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas, the majority leader (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, every Member of this House knows that the question here is not whether we like the Panama Canal treaty. That treaty goes into effect in 5 days whatever we do today.

Most of the Members realize quite fully that enactment of this legislation is necessary in the interest of the United States.

Most of them recognize that this legislation provides our only sure guarantee of continuing a U.S. military presence in the Canal Zone.

Members are fully aware that this very bill allows our President to appoint five of the nine—a majority—on the Board

which will govern and manage the canal for the remainder of this century.

□ 1200

Most of the Members of Congress, understanding these facts, want this bill to pass. But, some of them are afraid to vote for it for fear of reprisals from well-meaning but ill-informed citizens. In fact, Mr. Speaker, one extreme right wing group today has blatantly threatened to spend up to a million dollars to defeat any Member who votes for this conference committee report.

And that introduces a question which goes to the very heart of the democratic process.

Almost 25 years ago the late Walter Lippman wrote a little book entitled, "The Public Philosophy." It casts a gloomy forecast for the future of parliamentary democracy throughout the world.

When I first read this book I was stunned and disturbed. I denounced it as too extreme. But today its message comes back to haunt me.

Almost a quarter century ago Walter Lippman suggested that the Western democracies were in danger of what he called a paralysis of government. He characterized elected legislators as insecure and intimidated men whose decisive consideration in the critical international issues was "not whether it was right, but whether it was popular—not whether it will work well and prove itself," he wrote, "but whether the active talking constituents like it immediately." And this, he said, sets a compulsion to make mistakes in foreign policy.

"Over and above their own human propensity to err," he wrote, "democratic officials have been compelled to make the big mistakes that public opinion has insisted upon."

He called this "the malady of democratic States," and concluded that "the malady can be fatal. It can be deadly to the very survival of the State as a free society."

I hope and pray that this unhappy prognosis shall never become the epitaph of our civilization. But this week as we faced this series of critical issues, and particularly today, I see the shadow of its foreboding presence.

In the past week, as I have talked with Members on this particular issue, their answers have come back to me like a repetitious refrain. At least a score, probably 30 Members have said, "Yes, Jim, I understand that. I want that bill to pass. I know it is in the best interest of the United States, but my constituents misunderstand it, and I can't vote for it."

Permit me to say as kindly and gently as I possibly can to those Members who are in this Chamber—and they know who they are: you sell America short. You sell your constituents short. If you did not believe that you, in frank and candid explanation, can show them why this is in America's interest, knowing as you do that it is—if you really do not think they possess the intelligence to understand it—well then, let us face

it: You do not really believe in the fundamental premise of a representative democracy.

I do believe in it, still. I think our action today will be a reaffirmation that it still possesses the vitality to do the right thing, popular or not. I believe we will demonstrate that its Members still possess the force of character not to cringe in fear when they know that hostile opinion is mistaken and based upon misinformation, but rather to use their honest judgment and to follow their best informed opinion and to do what is right. I believe we will do that today.

● Mr. ANDERSON of California. Mr. Speaker, as many of our colleagues know, I have consistently opposed the Panama Canal treaties. I think they are a mistake. I thought it was a mistake when President Nixon proposed the idea, when President Ford proposed the idea, and when President Carter proposed the idea. And so time and again I have spoken out against the treaties, and I have voted against measures related to them.

It is the Senate that is constitutionally charged with ratifying treaties entered into by the United States. But, in 1976, I said in the CONGRESSIONAL RECORD that—

The yielding of any property paid for from appropriated funds, such as the Panama Canal, must be approved by the House as well as the Senate.

If only the House would have had this opportunity.

But the House of Representatives did not have the opportunity. We have, however, had before us for consideration H.R. 111, the Panama Canal Act of 1979. This has been frequently, but perhaps incorrectly, referred to as the legislation which "implements" the canal treaties. What this bill actually does, given the undisputable, irrevocable fact that the treaties take effect on October 1, is assure the continued U.S. involvement in the effective administration of the canal.

Last week, I voted against the conference report on H.R. 111, and the conference report was defeated. It is back before us today, however, with several revisions.

Language has been added allowing the President to place the canal under military control if foreign combat troops are placed in the Republic of Panama. The new report strengthens language precluding the President from accepting any interpretation of the treaties which would permit Panama to impose retroactive taxes on U.S. businesses in Panama. The conference report being voted on today improves the language dealing with U.S. contingency payments to Panama. And finally, it specifically prohibits the canal's transfer to Panama before December 31, 1999.

However, even with these changes, I am against the Panama Canal treaties. But again, the treaties are with us. Nothing that happens today will change that. Today, we are deciding whether or not the United States will play an effective role in the coming transition period.

And today, many Members who have

previously been vocal and sincere in their opposition to the treaties, will be supporting the conference report on H.R. 111. I will not be among them. Although improvements have been made in the conference report, it must be clearly understood that many of us are still dissatisfied with the entire situation. Frankly, I now expect the conference report to pass. Discussion of the Panama Canal controversy will, gradually, slip away. We cannot allow it to be said, though, that in the final analysis, all the American people and their Representatives supported the treaty. We do not. We think they are bad. And we regret this day. ●

Mr. MURPHY of New York. Mr. Speaker, I yield 5 minutes to the distinguished Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, this issue has been debated so many times, not only on the floor of this House, but also for weeks and months in the United States Senate. I am well aware of the strong emotional sentiments attached to the issue of the Panama Canal. I recognize that there are members who have had serious reservations, and those who have expressed outright opposition. Yes, and there are those who have spoken with open hostility. These are genuine concerns and anxieties, and I understand them.

A half dozen years ago, DAN ROSTENKOWSKI and I were playing in the Cancer Charity Golf Fund with a fellow by the name of Chi Chi Rodriguez, a little fellow from the Caribbean. After we finished playing golf, we all sat down to talk, and I was amazed at Chi Chi's knowledge of foreign affairs. Many Members can recall that a half dozen years ago, we had a bipartisan foreign affairs policy, where the Congress supported the State Department and the administration, Democratic or Republican.

You know, Chi Chi said:

Eisenhower has been for the return of the Panama Canal; Nixon has been for the return of the Panama Canal; Kennedy and Johnson have been for the return of the Panama Canal; Jerry Ford has been for the return of the Panama Canal. When are you people ever going to do anything about it?

You know, the interesting factor was that Chi Chi was a golf professional from the Caribbean, and I would have to say that, speaking for myself, and probably DAN felt the same way, the furthest thing from our minds was the Panama Canal.

Chi Chi said:

You think you have problems with Cuba along the line. This is the spot that is eating at the core of the apple. Don't you realize that this is American imperialism? Don't you appreciate the shabby and shady manner in which you acquired the Panama Canal?

You know, I did not, to be perfectly truthful. I had never given any thought to the Panama Canal. I was just an average Congressman, and I did not really believe that unless one was on the Foreign Relations Committee, one never

gave any thought to it. But, we were wondering why our relatives had deteriorated in the Caribbean area where, if rum was manufactured, then America owned all the companies that manufactured rum; if sugar was produced, then we owned all the sugar from the area; if cattle was in abundant supply, then we owned all the cattle, and our troubles in the area were with the presidents or the executives. Our concern really was not with the people. Our concern was to obtain the greatest profit along the line.

The Panama Canal, what does it mean to us? Well, it means a lot, to be perfectly truthful. It means a lot, as to whether we have a Navy that can pass through there. It would cost us nearly \$100 billion to put together a two-ocean Navy if the Panama Canal were shut down. Three billion dollars a year are saved by those of us who live in the East because products pass through the canal instead of around Cape Horn. Over 500,000 barrels a day of Alaskan oil go through the canal and up to Houston or other areas of Texas to be refined. Sure, we have had this access all along the line, and we took for granted what an open and accessible canal meant to American and world commerce. We never thought about how disruptions in the use of the canal, or outright operational shutdowns would endanger our national security.

□ 1210

We gave little thought to the pride and rights of the people from whom we acquired the canal.

A long and rancorous debate ensued for months in the Senate, and ultimately, a new treaty was adopted and is now the law of the land. Our Constitution gives that right to the Senate and the basic issue was resolved last year. We cannot rewrite the treaty.

We do have a responsibility to carry out the international obligations of the new treaty. This conference report fulfills those obligations to provide an appropriate mechanism to administer the canal and to insure that it will be open, neutral, secure, and accessible.

I think we have done the right thing. I think we have done the honorable thing for America, and in doing the honorable thing, we will have greater security and a better feeling for the people in the Caribbean area. We will have kept our commitments, and I think we are going to witness a friendlier Western Hemisphere. This is the final hour.

May I say to the Members, in the best interest of our country, I think an aye vote is the right vote.

Mr. MURPHY of New York. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HANSEN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic de-

vice, and there were—ayes 232, noes 188, not voting 14, as follows:

[Roll No. 509]

AYES—232

Aadabbo Ferraro Murtha
Akaka Findley Myers, Pa.
Albosta Fish Neal
Alexander Fisher Nedzi
Ambro Fithian Nolan
Anderson, Ill. Florio Nowak
Andrews, N.C. Foley Oberstar
Annunzio Ford, Mich. Obey
Ashley Ford, Tenn. Ottinger
Aspin Forsythe Panetta
AuCoin Fowler Pashayan
Baldus Frenzel Patten
Barnes Frost Patterson
Beard, Tenn. Garcia Pease
Bedell Gephardt Pepper
Bellenson Gialmo Peyser
Benjamin Gibbons Pickle
Bereuter Gilckman Preyer
Bethune Gonzalez Price
Biaggi Gore Pritchard
Bingham Gray Pursell
Blanchard Green Railsback
Boggs Guarini Rangel
Boland Hall, Ohio Ratchford
Bolling Hamilton Reuss
Boner Harkin Rhodes
Bonior Harris Richmond
Bonker Hawkins Roe
Bouquard Heiner Rostenkowski
Bowen Hefel Roybal
Brademas Holland Royer
Breaux Hollenbeck Russo
Brinkley Howard Sabo
Brodehead Hughes Sawyer
Brooks Jacobs Scheuer
Broomfield Jeffords Schroeder
Brown, Calif. Jenkins Seiberling
Buchanan Johnson, Colo. Shannon
Burlison Jones, Okla. Sharp
Burton, John Jones, Tenn. Simon
Burton, Phillip Kastenmeier
Butler Kildee Smith, Iowa
Carr Kogovsek Solarz
Cavanaugh Kostmayer Spellman
Chisholm LaFalce St Germain
Clay Leach, Iowa Stack
Coelho Lederer Stanton
Collins, Ill. Lehman Stark
Conable Leland Steed
Conte Levitas Stewart
Conyers Long, Md. Stockman
Corman Lowry Stokes
Cotter Lundine Studts
D'Amours McClory Swift
Danielson McCloskey Synar
Daschle McCormack Thompson
Davis, S.C. McHugh Traxler
Dellums McKay Udall
Derrick McKinney Ullman
Derwinski Maguire Vanik
Dicks Markey Vento
Diggs Marks Walgren
Dingell Matsui Waxman
Dixon Mavroules Weaver
Dodd Mazzoli Weiss
Downey Mica Wilson, Bob
Drinan Mikulski Wilson, C. H.
Early Mikva Wirth
Edgar Miller, Calif. Wolff
Edwards, Calif. Mineta Wolpe
Erlenborn Minish Wright
Ertel Mitchell, Md. Wyder
Evans, Ga. Moakley Yates
Evans, Ind. Moffett Young, Mo.
Fary Mollohan Zablocki
Fascell Moorhead, Pa. Zeferetti
Fazio Murphy, N.Y.
Fenwick Murphy, Pa.

NOES—188

Abdnor Broyhill Dannemeyer
Anderson, Calif. Burgener Davis, Mich.
Andrews, N. Dak. Byron de la Garza
Anthony Campbell Deckard
Applegate Carney Devine
Archer Chappell Dickinson
Ashbrook Cheney Donnelly
Atkinson Clausen Dornan
Badham Cleveland Dougherty
Bafalis Clinger Duncan, Tenn.
Bailey Coleman Edwards, Ala.
Barnard Collins, Tex. Edwards, Okla.
Bauman Corcoran Emery
Beard, R.I. Coughlin English
Bennett Crane, Daniel Erdahl
Bevill Crane, Philip Evans, Del.
Brown, Ohio Daniel, Dan Filippo
Daniel, R. W. Fountain
Fuqua

Gaydos Gilman Lee
Gingrich Lewis
Ginn Livingston
Goldwater Lloyd
Goodling Loeffler
Gradison Long, La.
Gramm Lott
Grassley Lujan
Grisham Luken
Gudger Lungren
Guyer McDade
Hagedorn McDonald
Hall, Tex. McEwen
Hammer Madigan
schmidt Marlenee
Hance Marriott
Hansen Martin
Harsha Mathis
Heckler Mattox
Hightower Michel
Hillis Miller, Ohio
Hinson Mitchell, N.Y.
Holt Montgomery
Hopkins Moore
Horton Moorhead,
Hubbard Calif.
Huckaby Mottl
Hutto Natcher
Hyde Nelson
Ichord Nichols
Ireland O'Brien
Jeffries Oakar
Jenrette Paul
Johnson, Calif. Perkins
Jones, N.C. Petri
Kazen Quayle
Kelly Rahall
Kemp Regula
Kindness Rinaldo
Kramer Ritter
Lagomarsino Roberts
Latta Robinson
Leach, La. Roth
Leath, Tex. Rousselot

NOT VOTING—14

Carter Holtzman Rose
Duncan, Ore. Murphy, Ill. Rosenthal
Eckhardt Myers, Ind. Treen
Flood Quillen Winn
Hanley Rodino

□ 1220

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Quillen against.
Mr. Hanley for, with Mr. Treen against.
Mr. Duncan of Oregon for, with Mr. Myers of Indiana against.

Ms. Holtzman for, with Mr. Carter against.

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BREAU. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PRAISE FOR THE UNITED STATES ROLE IN BUILDING AND MAINTAINING THE PANAMA CANAL

Mr. BAUMAN. Mr. Speaker, just prior to the vote on final passage of the conference report on H.R. 111, the Panama Canal implementation legislation, a speech was made which could not be answered, since all time for debate had expired. The theme of those remarks was

that the United States had mistreated the people of the Republic of Panama from the very beginning of our relationship with that nation, that we had allegedly gained control of the Canal Zone through some devious or less-than-honorable means, and that our Nation and its Government had been insensitive to the aspirations of the people of Panama.

Mr. Speaker, any casual student of the history of this issue knows that such remarks are simply not true. Even a cursory reading of the history of the United States-Panamanian relations shows that there would have been no Republic of Panama had it not been for the U.S. Government and its response to a request for assistance from those Panamanians who in 1903 were citizens of what was then a province of Colombia.

The acquisition of the rights to build, maintain, and control the Panama Canal were obtained by the United States through just means, including payment for the land acquired to the new Government of Panama and each of the individual landowners affected, as well as continuous payments since.

There is no doubt that the presence of the Panama Canal has been the major contributor to the economic well-being of the Panamanian people, who have the highest average annual income in all of central America. There is no doubt that the canal would never have been built at all had it not been for the United States and its willingness to do what the French and many others had failed to do.

I believe that the history of the Panama Canal is one of the glorious chapters in our national history, and indeed, that of Panama as well. To denigrate America's role in this undertaking which united the Atlantic and Pacific Oceans is a disservice not only to our country but to the truth as well.

□ 1230

PROVIDING FOR TEMPORARY EXTENSION OF CERTAIN FEDERAL HOUSING ADMINISTRATION AUTHORITIES

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 105) to provide for a temporary extension of certain Federal Housing Administration authorities, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, could we hear what the gentleman's explanation is as to why this is necessary?

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I am delighted to yield.

Mr. ASHLEY. Mr. Speaker, Senate Joint Resolution 105 would extend through October 31, 1979, the authority of the Secretary of the Department of Housing and Urban Development to insure mortgages or loans under certain

HUD-FHA mortgage or loan insurance programs contained in the National Housing Act, would extend the authority of the Secretary to set the interest rates for FHA-insured loans to enter into obligations to make section 312 rehabilitation loans and would extend the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages.

The Senate joint resolution would also extend certain authorities of title V of the Housing Act of 1949 through to October 31, 1979, with respect to the Farmers Home Administration rural housing programs.

Under existing law these authorities remain available only through September 30, 1979. The conferees of this year's housing authorization legislation have not completed their consideration. It has been a difficult conference, but it is my expectation that the conferees will conclude their work shortly after the House returns the week of October 9. Mr. Speaker, I know of no serious objections to this 30-day continuing resolution. It is my understanding it is supported by the minority. Mr. Speaker, I urge the adoption of Senate Joint Resolution 105.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the only necessity for this is the conference on this authorizing legislation is not yet complete?

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield.

Mr. ASHLEY. Mr. Speaker, that is precisely the reason. It has been a long and rather difficult conference. There are any number of items in dispute. I can look the gentleman in the eye and say that the problem has been that the Senate has been assiduous in defense of his position and so have the House conferees with respect to the House position on a number of important matters.

We have not achieved resolution of the items in disagreement. We will, I am certain, within the period encompassed by this joint resolution.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, the extension of this authority is to the end of October?

Mr. ASHLEY. That is correct.

Mr. ROUSSELOT. Mr. Speaker, I appreciate the gentleman's comments. I appreciate the explanation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Ford of Michigan). Is there objection to the request of the gentleman from Ohio (Mr. ASHLEY)?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 105

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE AUTHORITIES

SECTION 1. (a) Section 2(a) of the National Housing Act is amended by striking out "Oc-

tober 1, 1979" in the first sentence and inserting in lieu thereof "November 1, 1979".

(b) Section 217 of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "October 31, 1979".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1979" in the fifth sentence and inserting in lieu thereof "October 31, 1979".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "October 31, 1979".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "October 31, 1979".

(f) Section 244(d) of such Act is amended—

(1) by striking out "September 30, 1979" in the first sentence and inserting in lieu thereof "October 31, 1979"; and

(2) by striking out "October 1, 1979" in the second sentence and inserting in lieu thereof "November 1, 1979".

(g) Section 245 of such Act is amended by striking out "September 30, 1979" where it appears and inserting in lieu thereof "October 31, 1979".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "October 31, 1979".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "October 31, 1979".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "October 31, 1979".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "October 31, 1979".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 2. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended (12 U.S.C. 1709-1), is amended by striking out "October 1, 1979" and inserting in lieu thereof "November 1, 1979".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 3. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1979" and inserting in lieu thereof "November 1, 1979".

REHABILITATION LOANS

SEC. 4. Section 312(h) of the Housing Act of 1964 is amended—

(1) by striking out "September 30, 1979" and inserting in lieu thereof "October 31, 1979"; and

(2) by striking out "October 1, 1979" and inserting in lieu thereof "November 1, 1979".

EXTENSION OF RURAL HOUSING AUTHORITIES

SEC. 5. (a) Section 513 of the Housing Act of 1949 is amended by striking out "September 30, 1979" where it appears in clauses (b), (c), and (d) and inserting in lieu thereof "October 31, 1979".

(b) Section 515 of such Act is amended by striking out "September 30, 1979" where it appears in paragraph (b) (5) and inserting in lieu thereof "October 31, 1979".

(c) Section 517(a) (1) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "October 31, 1979".

(d) Section 523(f) of such Act is amended—

(1) by striking out "October 1, 1979" where it appears in paragraph (f) and in-

serting in lieu thereof "November 1, 1979"; and

(2) by striking out "September 30, 1979" where it appears in such paragraph (f) and inserting in lieu thereof "October 31, 1979".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY PUBLIC DEBT LIMIT

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 425 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 425

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1) (6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5369) to provide for a temporary increase in the public debt limit, and to amend the Rules of the House of Representatives to make possible the establishment of the public debt limit in the future as a part of the congressional budget process, all points of order against the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendments to the bill shall be in order except the following amendments: (1) pro forma amendments for the purpose of debate; (2) amendments offered by direction of the Committee on Ways and Means or the Committee on Rules, which shall not be subject to amendment except pro forma amendments for the purpose of debate; (3) amendments only changing the date certain on page 2, line 5, or only changing the numerical figure on page 2, line 8, and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate and germane amendments only changing said date or said figure; (4) the following amendment, which shall not be subject to amendment except pro forma amendments for the purpose of debate: "On page 3, line 12, strike out the words 'and an enrollment'; on page 3, line 21, strike out the word 'Upon' and all that follows through the period on page 4, line 5, and insert in lieu thereof the following: 'Upon the engrossment of such joint resolution it shall be deemed to have passed the House of Representatives and been duly certified and examined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the joint resolution shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.'"; and (5) one motion to strike title II which shall not be subject to amendment except pro forma amendments for the purpose of debate. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage

without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTI), pending which I yield myself such time as I may consume.

Mr. Speaker, the subject matter of this resolution is popular with no one. Whether one is inclined to vote in favor of this legislation or against it, no one truly enjoys the debate which ensues. Yet here we are again, facing an expiring temporary public debt ceiling.

The Congress of the United States has a legal obligation to provide for the extension of the national debt ceiling without allowing it to lapse. As the distinguished chairman of the Committee on Ways and Means reminded us last week during the floor debate on this issue, we cannot back out of a decision made by the majority will. We have to live up to our commitments. I believe we have no choice but to vote for a bill that will permit our Government to meet obligations legally incurred. I hope that a majority of my colleagues will agree so that we can put this issue to rest and move on to other pressing business of the Nation.

The rule provided by House Resolution 425 is eminently fair. It provides an opportunity for every faction to work its will in the democratic process we follow in this body. The Rules Committee was in agreement on this rule, and I hope the House will approve the resolution making in order H.R. 5369, which provides for a temporary increase in the public debt limit, and makes possible the establishment of the public debt limit in the future as a part of the congressional budget process.

The rule provides 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Ways and Means. The first reading of the bill shall be dispensed with, and the bill shall be considered as read for amendment under the 5-minute rule.

This rule is a modified open rule making in order only certain amendments. The selection of amendments give Members of this body ample opportunity to express their variations of opinion and to vote accordingly. Pro forma amendments for the purpose of debate will be permitted with regard to the bill and all specified amendments.

Amendments offered by direction of the Committee on Ways and Means or the Committee on Rules are in order but not amendable. In addition, amendments which change the amount of the figure establishing the temporary public debt limit or the date establishing the duration of the temporary ceiling are in order. These amendments in turn shall be subject to amendment only by germane amendments affecting the limit and the date.

The committee bill provides for a temporary public debt limit of \$479 billion from the date of enactment through

May 31, 1980. This is a lesser extension and a lesser amount than the House adopted last week in passing the Fisher amendment. Nonetheless, germane amendments to the dollar figure and the time period are in order.

Everyone is aware that the committee bill also provides for a new procedure developed by the gentleman from Missouri (Mr. GEPHARDT) whereby the debt ceiling in the future may be established through the congressional budget process. Various versions of this procedure have been under discussion for a long time.

Through persistence, lengthy consultation, brainpower, and creative imagination, the gentleman has refined a procedure that I hope we all can embrace.

It provides a much more forthright and orderly manner of accounting to the public for our national spending policy—through the congressional budget process. Members of the Committee on Ways and Means and the Committee on the Budget have worked closely and diligently in developing this new procedure. Last year my subcommittee on the rules and organization of the House held hearings on the matter, and it has been discussed in the full committee as well. I am well pleased that the new procedure is ripe for adoption, since the House adopted the Gephardt substitute including the new procedure, in the Committee of the Whole last week.

So as to be completely fair, however, the rule provides that a motion to strike title II of this bill, which is the title amending the rules with the new procedure, is specifically made in order. The motion to strike is not amendable. In addition, the rule specifies that a minor amendment, recited in the rule, may be offered and is not amendable. This amendment would cure some details in the Gephardt procedure concerning engrossment and enrollment. The rule also makes in order one motion to recommit.

In view of the urgent need for action on the legislation made in order by this rule, which extends authority expiring October 1, the rule includes a waiver of clause 2(1) (6) of rule 11, the 3-day lay-over requirement. As is traditional with debt ceiling bills, which amend the Second Liberty Bond Act, the rule provides a waiver of clause 5 of rule 21, prohibiting appropriations in an authorization bill.

Members are all too familiar with the arguments surrounding the legislation made in order by this rule. There is always a lot of talk about saving money for the taxpayers and holding interest rates down. But I would remind my colleagues that it actually costs millions of dollars when this vital legislation is permitted to lapse. The last time this happened it cost the Government \$15 million or more.

Let us therefore unite in favor of this well balanced resolution and get on with the Nation's vital business.

□ 1240

GENERAL LEAVE

Mr. LONG of Louisiana. Mr. Speaker, I ask unanimous consent that all Mem-

bers may have 5 legislative days in which to revise and extend their remarks on House Resolution 425, the resolution under consideration.

The SPEAKER pro tempore (Mr. FORD of Michigan). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LATTI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the question before us today far transcends the issue of a temporary increase in the national debt. We are once again being asked to bail out the Government for not living within its means. In my opinion this is an issue of accountability as much as one of fiscal policy.

At one time the national debt was something to be embarrassed about. It was a realistic accounting of debts incurred by the Government for a major crisis, like World War I. The debt was something that needed to be paid off and most lawmakers had every intention of retiring the debt. Even the first years of the free-spending New Deal era did not destroy this basic respect for the size of the national debt. Many felt that the deficits rung up by Roosevelt were a necessary, but temporary, fix brought on by the severity of the Great Depression.

Over the years following the Second World War the temporary nature of the national debt got lost in the shuffle of academicians who began to view the debt as a necessary annoyance. Fiscal responsibility and the retiring of the national debt began to be outmoded beliefs that the media attributed to ancient Neartherthals. By the time I became a Member of Congress the debt was up to around \$200 billion and it had become commonplace to raise the debt limit by \$2, \$4, or \$6 billion just at the asking. The Great Society summoned in a new era on the debt. No longer an annoyance in the minds of policymakers, it became a mark of distinction to have the debt grow, a symbol of how much Government was willing to commit to a quantum leap in social welfare and Federal regulation to meet the goals of the social engineers.

As with any speculative bubble, the national debt had to burst. The phenomenon of stagflation that has settled on the seventies is a direct result of this Congress letting the bubble get out of hand. Today the national debt dries up our Nation's capital markets. Without capital there is no pool of investment to expand the economy. What expansion there is comes from inflation. Part of the inflation cycle is a decline in the supply of available fuels and other raw materials. Unless the law of supply and demand has been repealed, it is inevitable that the prices of the remaining goods will rise as supplies decline. One way to combat this type of inflation is to develop new sources of supply or alternatives that may be more readily available. At this point the national debt and the size of Government come into the formula. With an ailing capital market there is less money for investment. With growing Government regulation, there is too much

redtape to provide incentives for what capital investment there is left. It is a cycle that is grinding America into the ground. It is a phenomenon that is delivering the United States into the hands of foreign energy producers and the American taxpayers into the hands of private debt or limited lifestyles.

It does not need to be this way. Accountability is all that is needed to bring this Nation out of the downward spiral that has typified the seventies. The Congress does not need to be bullied by special interests and the half-baked theories of the social engineers. It only has to draw a line and state it will go no further in aiding and abetting America's decline. We do not need a constitutional convention to balance the budget. We do not need zero based budgeting or sunset. We only need the courage to say "no more." In one vote we could shatter the mythology of Keynesian economics.

This one vote could be to lay down the law that there would be no further increase in the national debt, period. To placate those who would whimper about pressing obligations there could be a rise in the debt for the fiscal year, but then, no more. From then on the budgeting cycle would have a restraint to function within. The pie would not grow any more and the prioritizing of issues and programs that has long been neglected by this Chamber would have to occur. The debt could begin to ebb and the private capital markets could once again reassert themselves, making for a healthy, and stable, economy.

This vote will not come today. It was attempted by my colleague from Maryland, Mr. BAUMAN, in February, but the leadership was able to have a closed rule to prevent the confrontation. Today, we will lose the opportunity again. As long as there are closed rules on the debt limit we will have these crisis votes to raise the debt x billions of dollars just before the Government defaults on its obligations. This is not budgeting, it is flim flam to cover the growth of big government. Unless this House acts today the flim flam will be made worse by allowing this House to duck the entire issue of the debt. Unless the provision relating to future debt increases is removed from the bill there will be a built-in escalator for future expansions of the debt.

I ask my colleagues where is the accountability in these actions? Are we not sitting here to be accountable to the voters of this Nation? Where is democracy going to be if we persist in the fiction that our hands are tied? The American taxpayer deserves better treatment than this. The pressing issues of inflation, and energy, need more consideration than how incumbents can duck voting on the root cause of our present problems.

The accountability issue is growing worse. The Congress rules as much by example as by its votes. The decline of accountability in this body has already manifested itself in the bureaucracy. We initially allowed the bureaucracy to get out of hand by delegating first administrative detail and then tough decisions to it. Now we have allowed budgeting to drift off into the Federal triangle. In-

spectors General reports and GAO reports go unheeded by the bureaucrats. Administrative savings are ignored. Waste and fraud are at epidemic proportions. Bizarre examples of perfectly good furniture and office machines being thrown out to make way for new purchases are surfacing. Other examples of agencies overspending their budgets in the fourth quarter in order to preserve their claim on increased appropriations are reported by the national media. In all cases the root is that there is no accountability. There is no incentive for savings or for competence. No matter how many reorganizations or civil service reforms are passed the fact remains that until the well runs dry there will always be a ready source of money to gloss over the failures of government and to, in fact, reward them.

This is a total perversion of what built America. At one time we fought a major revolution over the issue of taxation without representation. Today we have taxation without accountability. This is worse than no representation, because the veneer of democracy is maintained. I urge my colleagues to stop this horrible turn of events and vote to keep accountability in Congress and to vote to finally bring to an end this charade known as the temporary debt limit.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the gentleman from Ohio (Mr. LATTA), for his statement and for alerting the Members of this body to the fact that there is far more in front of us today in this legislative proposal than just a simple increase in the national debt.

Mr. Speaker, once again the Rules Committee has reported a rule providing for the consideration of a bill to increase the public debt. The rule is labeled "modified open," though in truth the rule is a good deal more closed than open. And once again, the bill includes not only an increase in the public debt limit, but a major change in House procedures, which would abolish the debt limit bill as a separate piece of legislation, and instead attempt to set the debt limit in conjunction with the budget resolution. While this procedural change may at first sound deceptively appealing, in fact there would be major problems in this approach.

First, setting the debt limit as part of the budget resolution just puts one more heavy burden on the budget process. It is extremely difficult to make the budget process work without this additional burden. With it, the budget process may collapse completely. While I realize that many of those advocating this change do not intend that result, the damage to the budget process will be no less real than if it had been intended.

A second problem with this proposed rules change, Mr. Speaker, is that it has never been marked up or reported by the committee of original jurisdiction, namely the Rules Committee. H.R. 5369,

the debt limit bill, was referred jointly to the Committee on Ways and Means and the Committee on Rules. The Committee on Ways and Means reported the bill and filed part I of the committee report, dealing with the parts of the bill which falls within its jurisdiction. However, the Rules Committee, never marked up or reported title II of the bill which establishes a new House rule. All the Rules Committee did was vote out a rule making this bill in order. In effect the Rules Committee discharged itself of H.R. 5369, without any consideration of the part of the bill falling in the committee's jurisdiction. Let me stress once again this is not a minor change. We are being asked to add a new rule to the House Rules and make a major procedural change, and the committee of jurisdiction has not held a markup. The argument has been made that a Rules subcommittee held hearings in the last Congress on proposals to set the debt limit as part of the budget resolution. But several of the witnesses in those hearings concluded that the procedures proposed at that time were unconstitutional. Now we have this new proposal which the proponents claim is sufficiently different to get around the constitutional problem. But, who knows? No hearings in the Rules Committee have yet been held on this new proposal.

And Mr. Speaker, the House is not going to have a chance to consider amendments to this proposal, known as the Gephardt proposal, because this rule does not allow floor amendments, except one correcting amendment specified in the rule. The fact that the need for one correcting amendment has been discovered in just the few days since this bill was introduced, leads me to wonder what other correcting amendments need to be made, but will not be discovered until too late to make the change.

In addition to the problems I have mentioned, Mr. Speaker, there is one other reason why we should not abolish separate consideration on the debt limit. In the consideration of the debt limit bills, our attention is focused solely on the amount of debt this country has accumulated. We need to do this from time to time. In budget resolutions, the debt limit figure tends to disappear in a morass of other figures. At least every once in a while we should stop and realize what we are doing to this country, by burdening it with an ever escalating national debt. Better to face the truth than to ignore the problem and hope that it will go away. We cannot escape the truth about this debt by attempting to hide it in the budget resolution. During the consideration of the bill you will have an opportunity to strike this proposed new procedure and I strongly urge you to vote to strike.

Mr. LATTA. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.
The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ULLMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5369) to provide for a temporary increase in the public debt limit, and to amend the Rules of the House of Representatives to make possible the establishment of the public debt limit in the future as a part of the congressional budget process.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon (Mr. ULLMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5369, with Mr. McHUGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Oregon (Mr. ULLMAN) will be recognized for 30 minutes, and the gentleman from New York (Mr. CONABLE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oregon (Mr. ULLMAN).

□ 1250

Mr. ULLMAN. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, we debated this bill in committee last week at some length. I am going to confine my remarks today to the essentials of the bill that we are bringing back and the urgency of getting this matter satisfactorily behind us on this vote today.

This bill before us extends the debt ceiling at those levels under which the Government can operate without serious restrictions to May 31, 1980. We extend the debt ceiling to that level. This requires an additional \$49 billion of debt authority.

PUBLIC DEBT LIMIT

At present, the limit on the amount of public debt is \$830 billion, and temporary authority to issue \$430 billion of this total is available through September 30, 1979. After that date, the temporary authority will expire, and only the permanent authority to issue \$400 billion in debt will continue to be available.

In this bill, the Committee on Ways and Means has reported an increase in the debt limit to \$879 billion through May 31, 1980. The increase of \$49 billion will be sufficient authority to meet borrowing requirements through May 1980, assuming realization of administration estimates of a budget deficit of \$29.4 billion in fiscal year 1980 on a trend-line toward virtually a balanced budget in fiscal year 1981—a deficit of only \$1 billion.

The debt limit situation is critical right now. It is imperative that the House pass this increase in the debt limit today and enable the Senate to pass the bill by the end of the week.

We must act promptly, if we want to minimize the disruptions, which have already begun, to orderly debt management and to avoid jeopardizing the Federal Government's ability to meet its financial obligations. The Treasury Department already has postponed auctions of \$3.25 billion of 2-year notes and \$2.5 billion of 4-year notes which were scheduled for Tuesday and Wednesday of this week. They had to be postponed because the maturing notes come due on Sunday, September 30, and the refinanced notes could not be delivered, and dated, until October 1, 1979. The Treasury Department cannot promise to deliver those notes on Monday until it knows that it has the legal authority to do so. The delay also tends to upset the Government securities market, as investors have to determine whether to wait until the notes become available or to seek alternative forms of interest-bearing securities.

A more serious result from failure to enact this bill will materialize next week, that is, when the Treasury will not have the funds with which to pay the bills. The Treasury last week estimated that it would be able to last through Wednesday, October 3, and probably through Thursday, October 4. After that day, it may have to default on payments of the Government's debts. The accuracy of this projection is not important. It does not matter whether the Treasury will run out of money 2 days earlier or 2 days later. The mere prospect of default because Congress fails to make timely adjustments in the debt limit is terrible enough.

INCREASE IN LIMIT ON LONG-TERM BOND AUTHORITY

The committee bill increases the authority of the Treasury Department to issue long-term bonds. Since 1970, Congress has allowed the Treasury Department to issue bonds which carry interest rates above the statutory ceiling of 4¼ percent. This ceiling applies to U.S. debt with maturities longer than 10 years which are held by the public.

At the present time, the exception provides authority for \$40 billion of these bonds to be outstanding. The Treasury Department has asked the committee to increase that \$40 billion in authority to accommodate the estimated requirements of its financing program for fiscal year 1980.

In the past when the committee has accommodated administration requests for an addition to this exception, the addition has been just enough to meet requirements in the immediate future. The committee has been wary of granting too much authority for long-term bond issues when prudent policy calls for the Government to minimize its participation in the long-term bond market. At the present time, however, the Treasury Department believes that the appropriate debt management policy for the Federal Government is to issue additional long-term debt because it is substantially less inflationary, less costly to the Government, and permits the use of more efficient debt management techniques than short-term debt.

The committee has provided an increase of \$10 billion, to a total of \$50

billion, which is enough additional authority to meet the administration's plans through May 1980.

SETTING DEBT LIMIT IN BUDGET RESOLUTION

Title II of the bill is the Gephardt amendment to the House rules, and the Second Liberty Bond Act. The amendment will permit the House to treat its approval of a budget resolution also as approval of the public debt limit. Each budget resolution specifies the appropriate public debt limit for the fiscal year covered by the resolution. That debt limit is determined in conjunction with the decisions which set the levels of budget outlays, receipts, credit policy, and other financial adjustments. These are the basic budget decisions, and the change in public debt limit needed for any fiscal year cannot be determined responsibly before the budget decisions have been made. Making the budget resolution the basic vehicle for setting the debt limit clearly is the most appropriate procedure which the House can follow. The Ways and Means Committee retains the jurisdiction to originate a bill under present procedures, which it will exercise at the appropriate time.

The Gephardt amendment establishes a procedure that is consistent with our budgeting procedure that is responsible, very carefully worked out, and, I think, will greatly improve both the way in which we handle this and the image of the House as we exercise our responsibility to both budgeting and to the debt ceiling problem.

The House approved this procedure by a voice vote last week, and I urge the Members to repeat that display of good judgment.

As I said before, the decisions that have gone into this requirement for a debt ceiling increase have been made in the past. We are at the point now where we must meet the obligations of those past decisions. The budgeting process is the way to get a handle on the long-term spending problem of the country.

I think it is very significant that the President, in making his recommendation for a debt ceiling extension, believes that we will be very close to a balanced budget in fiscal year 1981. Fiscal responsibility is a concern that I think is shared by the Members of this body. We deal with that in our budget procedure and in our spending bills. The debt ceiling matter is only a matter of accommodating those decisions that have already been made so that the Government can stay in operation.

Mr. Chairman, there will be one amendment offered by the gentleman from Missouri (Mr. GEPHARDT), a minor technical clarification in the so-called Gephardt amendment.

There is in order under the rule a motion to strike title II, which may or may not be made. I will strongly oppose that, because I think the Gephardt amendment is very important, and then on vote on final passage I urge the Members to support the bill.

Mr. LATTI. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Mr. Chairman, I want to ask the gentleman a question about the matter of off-budget items. The gentleman served on the Budget Committee as its chairman for quite a period of time and he is familiar with that budget process. I just want to call to his attention that we do not consider off-budget items in the budget process, but in the gentleman's debt ceiling bill he does consider those matters. How does the gentleman resolve this matter? You have about \$16 billion in off-budget matters that are not now considered by the Budget Committee that the gentleman must be concerned with as he joins the two together. How does the gentleman propose to handle this problem?

Mr. ULLMAN. Mr. Chairman, let me say to the gentleman that as we move forward in our experience with the budget, it is my hope that we will be able to expand the budget authority to include those off-budget items. The gentleman is no more concerned than I am about this matter. We look at it very carefully each time we handle the debt ceiling. We will do that in making our recommendation to the Budget Committee under the procedures established by the Gephardt amendment. That will be included, and that will be a part of the procedure that we are establishing.

Mr. CONABLE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, here we are again to consider the legislation increasing the public debt limit.

The new debt limit is \$879 billion versus \$929 billion in the bill which the House rejected last week. On the surface, this appears to be a \$50 billion reduction in the debt level. But this reduction was achieved by shortening the duration of the debt limit by 10 months. The debt limit in H.R. 5369 actually reflects the same spending rate as the earlier legislation. On a proportional basis, the debt is identical to what the Treasury Department projected its debt requirement to be through May 31, 1980.

In any other context, such manipulation would be compared to a carnival shell game. But for some curious reason, when it occurs as part of the debt legislation it becomes the excuse for changing a critical number of votes. I think the positive feature of this bill, as it was when it came up before, is not in the amount of debt authorized but the inclusion of the initiative of the gentleman from Missouri (Mr. GEPHARDT) to consolidate the debt ceiling and budget process. I believe this consolidation is a wise move. I welcome it. It is a common-sense change in our method of adjusting the debt ceiling.

Mr. Chairman, I urge support of title II, which effectuates this consolidation.

I urge opposition to the debt ceiling itself.

Mr. Chairman, I yield 3 minutes to

the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I would again take the floor to urge support of the Gephardt amendment. It seems to me it is a rational way to get out of a bad situation. Under current procedures we take repeated votes for the extension or expansion of the debt limit, most of which turn out to be meaningless because that extension or expansion is turned down. Eventually, because we know we have to pay the bills, we do pass the extension of the debt limit.

It seems to me that there is no good reason to separate the debt limit from the budget whose deficit caused the need to increase that debt limit. Therefore, the Gephardt amendment seems to me to be an ingenious way to link the two. It would also provide a solution to the shelter we give some of our Members to avoid their responsibilities when they vote for a budget resolution and against the debt increase that is necessary to finance it.

So I would urge the defeat of the amendment which seeks to strike the Gephardt amendment from the bill.

Another good feature of this particular expansion is that there is an increase granted in the long-term debt of the Treasury. There is always a problem of balancing the long-term with the short-term debt to get the lowest possible cost for the taxpayers. I think the committee has done a good job in responding to requests by the Treasury to increase the long-term debt.

With respect to whether we should vote for the bill or not, there is still a great reluctance on our side of the aisle to help pass debt increases when we have not been the ones which have incurred the expenses which caused those debt increases. I do not think we are going to see any change on that today. I certainly am not necessarily recommending it to any of my colleagues.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. Mr. Chairman, I rise again to try to explain and to urge support for this debt ceiling bill, which includes this new mechanism for including the debt ceiling into the budget process.

□ 1300

I would start by trying to answer the question raised by the gentleman from Ohio (Mr. LATTA), when he made the point that we have an off-budget question with regard to the debt ceiling number that is in the budget resolution.

I would tell him that the way we now operate is that the Ways and Means Committee sends a debt ceiling number by March 15 to the Budget Committee. That debt ceiling number includes off-budget spending as well as trust fund borrowing, as well as the projection for the direct outlay spending that is projected in that budget resolution. That process would continue as it does now. In the budget process, therefore, room is

made in the debt ceiling number for trust fund borrowing and for off-budget spending.

So that the number that comes out of the budget process should appropriately reflect those two items as well as the direct spending that is contemplated in that budget resolution.

Now, obviously, if there are mistakes made, as now, if we make a mistake in estimating when we pass a public debt ceiling, there is always the opportunity for the Ways and Means Committee to come forward and to propound legislation as we do now on the public debt ceiling.

Indeed, I believe that the projections for off-budget spending for trust fund borrowing as well as for direct spending in the budget process will be adequately and appropriately reflected in the figures that would be in the budget resolution and therefore the joint resolution that goes to the Senate for consideration.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Even though we disagree on the amendment, let me commend the gentleman for all the hard work he has put in on it.

Let me just indicate what the gentleman said earlier, that the House Committee on Ways and Means, which has jurisdiction over these off-budget items, and so forth, will submit a number to the Budget Committee which does not have jurisdiction over off-budget items, then it becomes the responsibility of the Budget Committee to insert those figures, even though they do not have jurisdiction over it in its budget resolution, which it will report to the House. Is that not what the gentleman is saying?

Mr. GEPHARDT. That is correct.

Mr. LATTA. That seemed like an odd way to get here.

Mr. GEPHARDT. Obviously this is not a usual, orderly process.

Mr. LATTA. I agree with the gentleman.

Mr. GEPHARDT. It is one I submit to the gentleman. We disagree. I understand that. It is designed in my mind to make the process more orderly and more truthful. I realize the gentleman disagrees on that, but that indeed is how the mechanics would work.

Let me also make the Members aware that when we go into the 5-minute rule and the amendatory process, I intend to present a technical amendment, a matter which was brought up by the Parliamentarian in the other body, which had to do with the exact language that was in my amendment. In the original amendment, I said when the number finishes the budget process on the public debt ceiling, that number should be taken by the Clerk of the House and put into a joint resolution and engrossed and enrolled and sent to the Senate.

The Parliamentarian in the Senate very properly pointed out that we do not enroll as well as en gros joint resolutions and send them to the Senate after we pass them, that we only en gros them and that the enrollment takes place after the Senate has considered the matter and we have agreement.

I am going to offer a technical amendment to make it clear that we are only engrossing that joint resolution before we send it over, which is entirely appropriate, under our process and under the Senate process.

I would end my remarks today by reiterating, as I did the other day, that in my mind, this new process with dealing with the public debt ceiling achieves two very important things.

First, it puts the consideration of the appropriate level for the debt ceiling where it legitimately and logically belongs. That is in the context of when we vote for the spending that creates the need to change the debt ceiling.

In my mind, it allows us to put these matters in the wrong place for some of us to tell people that we are really holding down spending when we voted in favor of a budget, but we then vote against the debt ceiling in the name of fiscal austerity.

Lastly, I would say that, having done that, we, I think, make a step forward in cutting down the amount of time that we spend doing unnecessary things.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. I really think, since the advent of the budget process, the business of addressing the debt ceiling, while it is still vital and important, the way that we do it is an anachronism. It is out of date. It is not conforming with what is obviously the new process that we have in the House.

I believe that, by passing this kind of a change, we will free up time in the House and in our committees to more appropriately deal with the very important matters that indeed determine how much money we spend and how high we have to raise the public debt ceiling.

I thank the chairman of the Ways and Means Committee for his effort through the last 2 or 3 years to try to make this possible. Without his help, without his encouragement, we would not be here today with this process on the floor.

I appreciate the cooperation of the chairman of the Budget Committee, the gentleman from Connecticut (Mr. GIAMMO), for his help, and I appreciate very much the help of the gentleman from New York (Mr. CONABLE) and the gentleman from Minnesota (Mr. FRENZEL) for their support for what many of us believe is an important change in our process.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Oregon.

Mr. ULLMAN. I thank the gentleman for yielding.

I want to commend the gentleman for his leadership in this area and strongly endorse his recommendation that the Gephardt amendment stay in the bill, that we defeat the amendment that would delete it, because it is a very important step forward in congressional responsibility in the handling of the public debt limit.

Mr. GEPHARDT. I thank my distinguished chairman.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I want to commend my colleague from Missouri for his leadership in this area that in the future we will not be faced with the difficult task of differentiating between the budget resolution and the debt ceiling. I think he has shown great leadership in this issue and many issues to come.

Mr. GEPHARDT. I thank my friend from Missouri.

Mr. Chairman, I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I have no further requests for time.

Mr. ULLMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, I realize that this is probably the most frustrating issue that comes before this House several times each and every year. During the some 2½ years that I have had the privilege of serving in the House, I have attempted to rationalize the opposition to this issue, and really it boils down to two things, I believe.

First of all, there is always the political aspect of it. I do not think anyone in this House has anyone writing them asking them to vote to extend the debt limit.

There is no constituency for this type of legislation, obviously. So there are political considerations, and each of us has those considerations.

Second of all, I think that the debate on it may serve one good purpose. That is simply to point out the extent of the total national debt; but as far as the merits of the issue, there is no rational reason that I can find other than the political aspects of it for opposing this legislation each and every year.

As a matter of fact, it has been pointed out time and time again that we really play a game with ourselves. When we have a Republican President in the White House, then many of the Democrats do not feel obligated to vote for the debt limit legislation.

When we have a Democrat in the White House, few, if any, Republicans feel any obligation whatsoever to vote for this legislation. I think that is bad on the part of this House, because all of us in private agree that this has to be done if the Government is going to continue to operate.

Some portion of this 800 billions of dollars was incurred during World War

II. Some parts of it was incurred during the Korean war and during the Vietnam war. We are saying by a "no" vote, "I don't want to pay the debts of the United States incurred during World War II or during any of the other conflicts." Some part of this debt comes from defense expenditures.

I join my friends over on the minority in voting for almost every increase in national defense because I truly believe that we desperately need increased expenditures in defense for the protection of our Nation.

□ 1310

Yet when it comes time, and this is disturbing to me personally, when it comes time to pay the bill, to go on record for paying for that defense, I find that there are no votes on the other side. That is a tragedy, in my opinion, for the House to take that type of a position.

I realize, I represent a conservative district and I have had to confront this issue but I simply have never found a reason to vote against it. I truly believe that if we are to contain Federal spending and to eliminate the need to increase the debt, we really have to look at the appropriation process. But we can never accomplish what we are seeking to accomplish by consistently defeating this bill and coming back to redo it.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman.

Mr. ULLMAN. The gentleman is making a very thoughtful statement. I think the time has come to do what the gentleman suggests. The importance of the debt limit has been totally distorted, not just in the minds of Congressmen, but by a lot of those people who compile voting records who count this a spending bill. Nothing could be further from the truth. That kind of misconception, it seems to me, simply cannot be justified. I commend the gentleman.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes, I yield to the gentleman.

Mr. DICKS. Mr. Chairman, I would like also to compliment the gentleman from Georgia. I think he has made a very accurate and realistic statement about this problem.

As a member of the Appropriations Committee I would just like to point out to the gentleman that the Appropriations Committee is responsible for a portion of the spending, and we are trying our best on all 13 bills to hold down the level of spending.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. ULLMAN. Mr. Chairman, I yield 4 additional minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. DICKS. Mr. Chairman, will the gentleman yield further?

Mr. JENKINS. I yield to the gentleman.

Mr. DICKS. Mr. Chairman, I would say to the gentleman that one of the initiatives this year on the disability leg-

isolation that came out of the Ways and Means Committee is also a significant step, because a great portion of the spending in this country is done through entitlement programs for which the Appropriations Committee has little or no control. I would hope the Appropriations Committee and the Ways and Means Committee could get together on some of these things, because I think the responsibilities are shared and are not just the responsibility of one area of the Congress, but two important committees having a dual responsibility. I think if we can do that we can get to the balanced budget which I think those of us who are in the majority, I think both from a liberal viewpoint and a conservative viewpoint, I think is a priority for this country in terms of solid fiscal management and in our efforts to control inflation.

The gentleman is so correct though on the point that we should not defeat this particular bill. This is what we have to do because of things that have been done in the past. The gentleman is absolutely correct, we should support the committee here and pass this debt limitation extension, and then get back to the real job of containing spending through entitlements and appropriations.

Mr. JENKINS. I thank the gentleman for his comments.

I would like to say finally that GAO has reported that because we waited until the last minute last year to extend the debt limit, to pass similar legislation, it actually cost the American taxpayer some \$15 million because of our insistence of being on record against extending the debt limit. Some publication ought to print a poll to show how much it really costs this Nation every time we wait until the last minute to give the Treasury Department authority to roll over the debt that this Nation has incurred for many, many decades.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman.

Mr. DICKS. Mr. Chairman, I think the gentleman's point is so well taken. Think of what interest rates have done in the last few weeks. The prime rate has gone up again.

I would bet playing politics with this issue has cost us money at this time, too.

Mr. JENKINS. I understand why everybody wants to be on record against this. However, I think we are making a bad situation for this Nation in constantly making this a floor fight, when all of us know there is no real issue in this legislation.

I would hope that those people who do support the veterans, who support defense, revenue sharing, will share in supporting this bill to pay for those programs.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am happy to yield to the gentleman.

Mr. CONABLE. Mr. Chairman, I would like to thank my friend for his oft-repeated advice to the minority on this issue. It is always interesting to see what one party advises the other to do, and

it is always interesting to see the extent to which the majority urges the minority to be responsible so more of them can vote against something they believe to be largely a matter of party politics.

Mr. JENKINS. I am sure my friend from New York would agree that a debt limit extension bill has to be passed.

Mr. CONABLE. If my friend will permit me to respond, I believe also that there are many issues here of greater party magnitude than this one. I quite agree that we go through this process altogether too much. However, I do not see any reason why on an issue of this sort, given its comparative lack of significance in terms of controlling the fiscal policy of the country, why the minority should be required to let those majority Members who are from marginal districts have the benefit of voting against this bill politically, which you would have us deny to ourselves.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. ULLMAN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, let me simply say this, I might have more faith in the position that people take in opposition to this and similar pieces of legislation were it not for the past record and looking at what happened in 1973, where none of the Members from the gentleman's party voted to extend the debt limit. The bill went over to the other body and an amendment was added to it to raise social security benefits by 10 percent. It came back over here and there were only five or six Republicans that then voted against it.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. Yes, I yield to the gentleman.

Mr. CONABLE. Mr. Chairman, the gentleman, the gentleman in the well is now addressing was among those. I believe there were a total of 36 in the House.

Mr. JENKINS. And I congratulate them.

Mr. CONABLE. If the gentleman will continue to yield, of that number a much greater proportion were Democrats than Republicans.

Mr. JENKINS. But the gentleman would agree that suddenly the House changed its position, and to me that indicates that there was no validity to their argument in the first place, because in order to vote for a 10-percent raise in social security benefits everyone quickly decided to vote for the debt limit extension. I simply think this argument is not valid, and I think that the gentleman and I, who agree so often on so many issues, would have to say that this debt limit or a similar debt limit bill has to be passed by this House.

Mr. CONABLE. If the gentleman will continue to yield briefly, I just wish to point out if the gentleman wishes to come to political conclusions about this then he must expect political rejoinders.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I am happy to yield.

Mr. ULLMAN. Mr. Chairman, I think what the gentleman is saying is that this is not and should not be a political matter. When we act on our appropriation bills and our budget resolutions, I see the reason for some Members to let politics influence their voting, but at this point in the process, the spending decisions have been made by majority vote in Congress. We made the decision in the past that brought us to the point now where—if we do not pass this bill—we cannot pay our debts, and we will bring the Government to a grinding halt. I think that is the responsibility of the minority as well as the responsibility of the majority to keep this Government viable.

□ 1320

Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. CONABLE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for amendment. No amendments are in order except the following amendments:

(1) Pro forma amendments for the purpose of debate; (2) amendments offered by direction of the Committee on Ways and Means or the Committee on Rules, which shall not be subject to amendment except pro forma amendments for the purpose of debate; (3) amendments only changing the date certain on page 2, line 5, or only changing the numerical figure on page 2, line 8, and said amendments shall not be subject to amendment except pro forma amendments for the purpose of debate and germane amendments only changing said date or said figure; (4) an amendment printed in House Resolution 425, which shall not be subject to amendment except pro forma amendments for the purpose of debate; and (5) one motion to strike title II which shall not be subject to amendment except pro forma amendments for the purpose of debate.

The bill reads as follows:

H.R. 5369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TEMPORARY INCREASE IN PUBLIC DEBT LIMIT; EXCEPTION TO INTEREST RATE CEILING ON BONDS

SEC. 101. (a) During the period beginning on the date of the enactment of this Act and ending on May 31, 1980, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by \$479,000,000,000.

(b) Effective on the date of the enactment of this Act, the first section of the Act of April 2, 1979, entitled "An Act to provide for a temporary increase in the public debt limit, and for other purposes" (Public Law 96-5), is hereby repealed.

SEC. 102. The last sentence of the second paragraph of the first section of the Second Liberty Bond Act (31 U.S.C. 752) is amended by striking out "\$40,000,000,000" and inserting in lieu thereof "\$50,000,000,000".

TITLE II—ESTABLISHMENT OF PUBLIC DEBT LIMIT AS PART OF CONGRESSIONAL BUDGET PROCESS

SEC. 201. (a) The Rules of the House of Representatives are amended by adding at the end thereof the following new rule:

"RULE XLIX

"ESTABLISHMENT OF STATUTORY LIMIT ON THE PUBLIC DEBT

"1. Upon the adoption by the Congress (under section 301, 304, or 310 of the Congressional Budget Act of 1974) of any concurrent resolution on the budget setting forth as the appropriate level of the public debt for the period to which such concurrent resolution relates an amount which is different from the amount of the statutory limit on the public debt that would otherwise be in effect for such period, the enrolling clerk of the House of Representatives shall prepare an engrossment and an enrollment of a joint resolution, in the form prescribed in clause 2, increasing or decreasing the statutory limit on the public debt by an amount equal to the difference between such limit and such appropriate level. The vote by which the conference report on the concurrent resolution on the budget was agreed to in the House (or by which the concurrent resolution itself was adopted in the House, if there is no conference report) shall be deemed to have been a vote in favor of such joint resolution upon final passage in the House of Representatives. Upon the engrossment and enrollment of such joint resolution it shall be deemed to have passed the House of Representatives and been duly certified and examined; the enrolled copy shall be signed by the Speaker and transmitted along with the engrossed copy to the Senate for further legislative action; and (upon final passage by both Houses) the joint resolution shall be presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

"2. The matter after the resolving clause in any joint resolution described in clause 1 shall be as follows: 'During the period beginning and ending , the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased [or decreased] by \$ (and any other provision of law providing for a temporary increase [or decrease] in such limit shall not apply); with the first two blanks being filled with the beginning and ending dates of the fiscal year or other period to which the concurrent resolution on the budget just agreed to relates, and with the third blank being filled with a dollar figure equal to the difference between the statutory limit on the public debt as set forth in section 21 of the Second Liberty Bond Act and the appropriate level of the public debt as set forth in such concurrent resolution.'

"3. The report of the Committee on the Budget of the House of Representatives accompanying any concurrent resolution on the budget under section 301(d) of the Congressional Budget Act of 1974, as well as the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget, shall contain a clear statement of the effect under this rule that the adoption by both the House and the Senate of such concurrent resolution in the form in which it is being reported (and the adoption of the joint resolution thereupon prepared and enrolled under clause 1) would have upon the statutory limit on the public debt. It shall not be in order in the House of Representatives at any time to consider or adopt any concurrent resolution on the budget (or agree to any conference report thereon) if at that time the report accompanying such concurrent resolution (or the joint statement accompanying such conference report) does not comply with the requirements of this clause.

"4. Nothing in this rule shall be construed as limiting or otherwise affecting the power of the House of Representatives or the Senate to consider and pass a bill which (with-

out regard to the procedures under clause 1) changes the statutory limit on the public debt most recently established under this rule or otherwise; and the rights of Members and committees of the House with respect to the introduction, consideration, and reporting of any such bill shall be determined as though this rule had not been adopted.

"5. As used in this rule, the term 'statutory limit on the public debt' means the maximum face amount of obligations issued under authority of the Second Liberty Bond Act and obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), determined under section 21 of such Act after the application of the second sentence thereof, which may be outstanding at any one time."

(b) (1) Clause 1(v)(5) of rule X of the Rules of the House of Representatives is amended by inserting "(subject to the last sentence of clause 4(g) of this rule)" after "United States".

(2) Clause 4(g) of rule X of the Rules of the House of Representatives is amended by adding at the end thereof the following new sentence: "The views and estimates submitted by the Committee on Ways and Means under the preceding sentence shall include a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt which should be set forth in the concurrent resolution on the budget referred to in such sentence and serve as the basis for an increase or decrease in the statutory limit on such debt under the procedures provided by rule XLIX."

(c) Clause 8 of rule XXIII of the Rules of the House of Representatives is amended—

(1) by inserting "(except to the extent that the amendment involved is limited by the third sentence of this clause)" after "mathematically consistent"; and

(2) by adding at the end thereof the following new sentence: "It shall not be in order in the House or in a Committee of the Whole to consider an amendment to a concurrent resolution on the budget, or any amendment to an amendment thereto, which changes the amount of the appropriate level of the public debt set forth in the concurrent resolution so reported; except that the amendments to achieve mathematical consistency which are permitted under section 305(a)(6) of the Congressional Budget Act of 1974 may include an amendment, offered by or at the direction of the Committee on the Budget, to adjust the amount of such level to reflect any changes made in the other figures contained in the resolution."

Sec. 202. The first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) is amended by inserting before the period at the end thereof the following: ", subject to any increases or decreases in such limit which may from time to time be provided by law (through the congressional budget process as described in rule XLIX of the Rules of the House of Representatives or otherwise)".

Sec. 203. The amendments made by this title shall apply with respect to concurrent resolutions on the budget for fiscal years beginning on or after October 1, 1980.

AMENDMENT OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GEPHARDT: "On page 3, line 12, strike out the words 'and an enrollment'; on page 3, line 21, strike out the word 'Upon' and all that follows through the period on page 4, line 5, and insert in lieu thereof the following: 'Upon the engrossment of such joint resolution it shall be deemed to have passed the House of Representatives and been duly certified and ex-

amined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the joint resolution shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.'"

Mr. GEPHARDT. Mr. Chairman, as I stated in the general debate we need a technical amendment which would take out, in essence, three words from the original copy of my amendment to this bill. Those words are the words, "and an enrollment."

As the amendment originally pointed out, we instructed by the language of the bill, or the Gephardt amendment, the Clerk of the House to take the debt limit figure out of the budget resolution after the conference for the budget resolution had been completed and passed, and to put that into a joint resolution and to send it to the Senate. We, in the instructions, said for the Clerk to engross and enroll the joint resolution and send it to the Senate. The words, "and enrollment" are unnecessary and inappropriate. The usual process is simply to engross and send to the Senate. So, we by this amendment are trying to take that out, those words, and conform this to the usual practice and procedure between the House and the Senate. So, I ask that this technical amendment be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. GEPHARDT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 2, line 18, strike title II and all that follows through page 7, line 24.

Mr. ROUSSELOT. Mr. Chairman, I rise to strike this title of the bill because I believe that the implementation of this new rule will obstruct a very important part of our responsibility here as the House of Representatives. The Constitution implies very clearly that the House of Representatives, is supposed to take the responsibility for controlling the purse strings. This amendment, as my colleagues have already stated, and this includes my distinguished colleague, Mr. GEPHARDT, the author of the amendment, say that it will make it easier for Members to complete the process. We will "free up our time," is the comment my colleagues use.

Now, whether this House likes it or not, increasing the debt ceiling is another form of taxation. The Treasury has to go out and borrow the money in the market place and use the future credit of the Federal Government. Whether we like it or not, that is the fact. Increasing the debt ceiling is another form of borrowing against future taxes. When this House tries to go around that process by only including in it the budget resolution, in a way I think it will obscure the visibility of that important responsibility of this House—that is increasing the debt

ceiling. Sure, that responsibility is tough; sure, it requires time—but it should. It is an important way of providing a substantial amount of funding for the Treasury.

I think it is irresponsible to separate it or to make it easier to pass by including it in a budget resolution. The focus on the debt ceiling will be far less visible.

Now, we have no guarantee that the Senate will comply with what we say here on this rule change. As a matter of fact, they may go ahead and continue to vote on this whole issue twice, both in the concurrent budget resolutions, and the second procedure of requiring a separate vote on a debt ceiling increase.

So, I believe it is wrong to obscure the visibility of this responsibility. Sure, I understand the claim of my colleague from Missouri, "Well, it will free up time. We are too busy." But, are we really too busy for that important responsibility?

This is one of those areas where I think we should be busy and zero in on our responsibility as to what it really means when we increase the debt ceiling. It is hard for me to believe that individuals who have the responsibility of handling their own debt would say, "Well, I will pass that on to the next-door neighbor or somebody else, or we will do it at another time and place."

When we increase our personal debt, that is our individual responsibility. I think the U.S. debt is the responsibility of the House, and I am sorry that we are now thinking of separating it out, or making it easier to raise the debt ceiling by hiding it in the budget resolution. When we come here on this floor during the debate on the debt ceiling some of my friends say "free up the time because we are too busy to be bothered." I realize that it is boring and a lot of Members do not want to pay any attention to it, but that does not relieve us of that responsibility to consider such an increase in the debt ceiling in a meaningful way. A debt increase is also a combination of on-budget items and off-budget items, and we do not really debate those very extensively in the budget resolution.

So, I think we are sliding out from under that responsibility if we accept the Gephardt amendment. Again, I want to say that I compliment my colleague from Missouri in that he has encouraged us to take this issue up. I am not condemning the work and the time and the effort that he has spent in developing and advocating this change, because his effort does focus on the issue, but just because he has worked on it does not mean it is right. I think we would all acknowledge that just because somebody spent a lot of time trying to figure out a way to amend a process and a rule we already have does not make it right. That would be especially true if it relieves us of the responsibility that I think is ours as elected representatives.

Now, some people have said, "Well, this is necessary because some individuals in the House use it as a 'political excuse' to say they are voting against 'big spending' by voting against the debt increase."

Just because certain Members of the House may use it as an irresponsible vote

instrument does not mean that it is right to take away the responsibility from the rest of the Members of the House who try to be responsible in the way they look at the vote on the issue.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. I believe that this debt ceiling legislation is a second important discipline and that the Ways and Means Committee should abide by it. The gentleman's amendment states and requires the Ways and Means Committee to look at the deficit requirement and ceiling anyway. Why not have the full House vote on it and discuss it? Just because a lot of people are tired of it and want to shuttle it aside, is not a good reason to eliminate the rule and the responsibility to take the second disciplinary step; that is, to vote on the issue of how much and at what time we should increase or not increase debt ceiling.

I am sure that if we ever got to the place where we could reduce the debt ceiling there would be a lot of people in here who would be most anxious to vote for such a reduction. I do not believe we should eliminate it just because it is painful, as several people have said, or it is trouble or it gets in our way. I do not believe that should be the excuse to eliminate the rule of the House that requires us to look at that increase in the debt ceiling above and beyond the budget process.

□ 1330

One of my good colleagues from Georgia said some people come here and play games with it. That is their fault; that is not mine. I do not consider it playing games. I consider it part of my voting responsibility that I have to my constituency, to this country, as to what we do with that debt ceiling. It is an important issue involving well over \$800 billion, a tremendous figure. It is the third or fourth largest item in the budget—that is the requirement of the interest charge that goes with the whole debt—and to say that has little meaning, no meaning, and that we really look at it in other hidden places I think fuzzes over our responsibility. I want to vote on this more than once. I am not afraid of it. I can assure my colleague, the gentleman from Georgia, I do not play games with it, and I think there are a lot of other people in this House who do not.

So, Mr. Chairman, I think this is an important second discipline for the House that is supposed to control "the purse strings." I hope the Members will vote to remove this title from the bill.

Mr. LATTI. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. LATTI. I thank the gentleman for yielding. Let me commend the gentleman in the well for offering this amendment. I intend to support it. I think that it is absolutely wrong to be taking this step because, as he has already indicated, I think it does put some discipline on this House and on the Sen-

ate, and it makes them realize that they are adopting day after day, as they pass these appropriation bills, figures that eventually will go into that national debt that will have to be reckoned with. Certainly the American people are familiar with that figure.

Mr. ROUSSELOT. I will say to my colleague the American people are indeed very familiar with that huge debt.

Mr. WYLLIE. They certainly are, and if we get home and talk to our constituents, they talk about that national debt, and they are talking about the interest, as the gentleman has indicated, on that national debt that they have to pay for.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. LATTI, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. LATTI. If the gentleman will yield further, they might not be paying anything on that principal that they are passing on to their children and grandchildren and grandchildren's grandchildren, because they are not paying anything on the principal but they are paying on the interest. When they settle up with Uncle Sam to pay up that third highest item in the budget, they are paying on the interest. They cannot escape that, and they are well aware of it. I think the American people are not going to look kindly on any action this House might take to put this matter underneath the rug so that it will be passed very quickly, hopefully in the budget resolution, without directing the attention of the American people to that ever-increasing, yes, ever-escalating national debt that is put on them because of the big-spending habits of this Congress.

I commend the gentleman for offering his amendment, and I certainly will support it.

Mr. ROUSSELOT. I thank my colleague for his remarks.

Let me just conclude by saying that I think it is an important House responsibility. I think we should continue it, and I hope my colleagues will vote to keep the rule as it is. I urge a yes vote on the Rousselet amendment.

Mr. ULLMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, of course I rise in strong opposition to the amendment offered by my friend, the gentleman from California (Mr. ROUSSELOT), but the gentleman from Missouri (Mr. GEPHARDT), the author of the amendment and the prime mover will make the argument against it to the members of this committee and the House. But I want to clarify a point. The gentleman from California (Mr. ROUSSELOT) has said a number of times that a debt ceiling is some form of taxation. Nothing could be further from the truth. It is not a form of taxation. The decisions that determine the debt ceiling today have been made in the past. We have made them in the appropriation process, in every bill we pass or fail to pass in tax legislation, and in our budget resolution; and we have a budget procedure now. We have programed by positive action the results that we have here today. All we are

doing today is saying, all right, since we made those decisions in the past, now we are going to pay the bills and accept responsibility for those decisions in the past.

Reference has been made to the comparison to a private individual incurring debt. Here is the proper comparison. An individual goes out and buys on credit and buys on credit, and then when the day for payment comes, he solves his debt problem by just not paying the bills. That is not the responsible way to do it. We have incurred these bills. What we are saying today is only that we will pay those bills. We will do better in the future in the appropriations, spending, and budgeting process, but we have to find a better way to pay the bills to keep this country going.

Let me say the amendment that the gentleman from California (Mr. Rousset) seeks to strike develops a new procedure that ties down the responsibility. It ties, as it should, the debt ceiling process to the decisions on the budget. That is the proper focus for the responsibility; and the Gephardt proposal is a significant tightening of our budget procedure, a meaningful thing. It is putting the debt ceiling in the right relationship to the spending and revenue process. So I think that the Members of this body on careful deliberation will want to move to tie the debt limit to the spending process and to the budget procedure where it ought to be and do so in a responsible way; I strongly urge the Members to oppose this amendment. Then, I urge them to vote for the debt ceiling, which is a vote to keep this Government viable and pay the bills that we have incurred through our past actions.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. ULLMAN. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding. I want to comment that I too, have favored the budget process. I have from the beginning. The problem is that the timeliness of which the gentleman speaks has not always been present with the budget process. It has floated around between the House and the Senate with far more difficult timing than even the debt ceiling increase. So to say that somehow by forcing it to be attached to the budget resolution it will be more timely I do not think is a good argument because right now we still have afloat the budget resolution for this House. It is still in limbo, as the gentleman knows.

Mr. ULLMAN. I want to say to the gentleman I am not arguing timeliness; I am arguing the right forum in which to make this decision is in the budget resolution when we are making the overall spending decisions and the overall revenue decisions for the next fiscal year. That is the right forum. That is what we are attempting to do today, and I urge the Members to vote down this amendment.

Mr. GEPHARDT. Mr. Chairman, I move to strike the requisite numbers of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise to oppose the Rousset amendment which would strike the changes that were made in the bill to institute this new debt limit process. I want to very strongly agree with the gentleman from California (Mr. Rousset), the maker of the amendment, that the debt ceiling is important. Let there be no fuzzing of that issue, or any indication that I or any of us here believe or are advocating by this amendment that the debt ceiling is not important. Obviously it is a legal act of great consequences. It increases the debt of the United States. It has a lot to do with our budgeting costs. It has a lot to do with interest rates all over the country. It is a meaningful act. We quite agree on that point. Where we disagree is whether or not freestanding public debt limitation is a second discipline in the Congress, and I would submit to the Members it is not a second discipline at all. I would strongly argue and disagree with the gentleman from California (Mr. Rousset) that this new process would obscure what we are doing. In fact, I would argue very strongly that what we are doing now obscures what is going on, vastly obscures it, because it allows the Members to make the decision to spend and then a few days later or a few months later to say, "I do not want to raise the debt ceiling to accommodate the spending that I have already made."

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to associate myself with the thrust of the gentleman's remarks. As to procedure I think this anachronism is mischievous. That is the reason I have supported the amendment offered by the gentleman from Missouri (Mr. Gephardt) and I oppose an effort to strike it from the bill. I thank the gentleman.

□ 1340

Mr. GEPHARDT. I thank the gentleman from New York for his support of this amendment.

The analogy that was made by the chairman and by the gentleman from California of individuals and how they deal with their own budget, clearly the decision we make in the budget process is just like spending decisions that individuals make.

Mr. Chairman, our process in effect today, would be like someone deciding to go buy a house, signing the contract which is the legal obligation to buy that house, and then going to the closing of the house sale and saying, "I really want the house, I stand behind the legal commitment I have made but I do not want to sign the note to pay the money and I do not want to sign the mortgage."

That is really what we are doing. I would submit it to you that obscures what is really happening and if the gentleman from California is concerned about there being truthfulness and candor in putting the facts on the table, that indeed putting these two procedures together exactly accomplishes that.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from New Jersey.

Mrs. FENWICK. I thank the gentleman for yielding.

Mr. Chairman, I am afraid I will have to support the gentleman because I think that is the sensible thing to do. However, I would like to see so much intelligence, urgency, and eloquence raised on behalf of an entirely different procedure which is that we vote on the budget and decide how much we are going to spend, first, the way any family does, and then fit our priorities into what we think we have to spend. That is the trouble.

Mr. Chairman, what we do, is to do it incrementally, starting at the bottom, adding and adding and adding. Then we hit, with the poor chairman of the Committee on the Budget fighting to hold things down, which he does, and also the gentleman, plus our ranking member, but it is the wrong system. Until we get the support of all the authorities in this House to decide first what we think this country can afford and then decide where that amount is going to be allocated, we will never have commonsense in this House.

Mr. GEPHARDT. Mr. Chairman, I thank the gentleman for her comments. I believe through the budget process we are learning how it needs to be adjusted to work more properly. That kind of suggestion, which has been made by the gentleman and others, I think is a constructive one that has to be considered by our Committee on the Budget.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman yielding.

Another problem that I see, is that the budget process does not consider the off-budget items. Therefore, what contributes to the need for an increase in the debt will not now be fully discussed.

Part of the increase in the debt many times occurs because of off-budget items.

I would say to my colleagues when and if we ever get the off-budget items in the budget resolution, it would make a better case for what the gentleman is saying.

Mr. GEPHARDT. Mr. Chairman, let me say I agree with the gentleman wholeheartedly and I think the change we are here advocating today will heighten the chances that we can make that kind of a change in the budget process. I heartily support it. I have supported it in the Committee on Ways and Means and will continue to support it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GIAIMO, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Will the gentleman yield, Mr. Chairman?

Mr. GEPHARDT. I certainly will yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I rise to

commend the gentleman for what he is here trying to accomplish. I oppose the Rousselot amendment. I recognize the political difficulties here in putting this on the budget resolution. Lord knows we are going to take the budget resolution up, hopefully, tomorrow and we have enough problems passing the resolution without adding anything to it.

Mr. Chairman, I do think it is a cleaner procedure if the issue of the debt ceiling is made a part of the budget process. We make the determination in the budget process anyway as to what the debt ceiling is and I do believe in making that determination we do—it is one of the aggregates we have to establish—I do think we consider the off-budget agencies part of the debt, even though it does not fit into our deficit, but it does fit into the total debt of the United States so to that extent it is part of the obligations of the Government and of the Treasury.

Mr. Chairman, I think it is a cleaner process. I think that is what the gentleman from Missouri is trying to accomplish and the Committee on Ways and Means. It will give us difficulties, it will give us added difficulties in passing a budget, but I believe in the overall we ultimately will have to arrive at a decision. I believe we can do it all in one place rather than separately as we are doing here today. We are here considering debt ceiling today, tomorrow we are considering budget. It will unify the consensus or the lack of consensus. Ultimately we have to make up our minds in this place. The business of the people of the United States demands that we do and I commend the gentleman.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from California (Mr. ROUSSELOT) relative to the off-budget items. I think, clearly, reform in this respect is indicated.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GEPHARDT was allowed to proceed for 3 additional minutes.)

Mr. CONABLE. Will the gentleman from Missouri yield further?

Mr. GEPHARDT. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, it is a fact that just because two reforms are needed does not make one of them bad. I do not believe there is anything inconsistent between what the gentleman is suggesting and what the gentleman from California is also suggesting.

In fact, we have not had an adequate discussion of off-budget items. I would like to see that occur.

Mr. Chairman, I would also like to associate myself with the remarks of the gentleman from New Jersey. I completely agree with the gentleman, the Budget Reform Act must be made an instrument of fiscal policy to a degree greater than it has been.

Mr. Chairman, I thank the gentleman for yielding.

Mr. GEPHARDT. Mr. Chairman, I agree with the gentleman and thank him for his remarks.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I see the chairman of the Committee on the Budget is on the floor. The reason I asked for this time was to agree with what the gentleman said. It will make it more difficult, as I pointed out earlier, to pass the budget resolution.

Mr. Chairman, I will ask the chairman of the Committee on the Budget if he does not concur with me that under this procedure in the Committee on the Budget we are going to be handed a figure for the national debt from the Committee on Ways and Means and we will not be able to change that figure.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. This is not my understanding. If you can clear that up for me, I will vote with you in support of your amendment if that is not so. It is my understanding they will make a recommendation to us in their report of March 15.

Mr. LATTA. As I understand it, Mr. Chairman, that figure stands and we cannot change it. I think we should have that straightened out.

Mr. GEPHARDT. It is clear within the amendment that, as the Committee on the Budget does often on the floor, in the budget process, the Committee on the Budget can and will be allowed to make amendments to the number as it does many other numbers, to achieve consistency with the action taken by the committee and the floor.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I will yield to the gentleman from Connecticut.

Mr. GIAIMO. We can change the public debt number in the committee as we prepare a resolution.

Mr. GEPHARDT. Certainly that would be a wise thing to do. As you change the numbers for spending from the numbers that were assumed by the Committee on Ways and Means.

Mr. GIAIMO. In other words, if we determine what the revenues and outlays are going to be, and if that changes, what the debt is going to be, we have the right, without going back to the Committee on Ways and Means to change that public debt number. Is that not correct?

Mr. GEPHARDT. That is correct.

Mr. LATTA. Will the gentleman yield further, Mr. Chairman?

Mr. GEPHARDT. I yield to the gentleman from Ohio.

Mr. LATTA. Perhaps we could get the chairman of the Committee on Ways and Means involved in this. As I understood it in the presentation before the Committee on Rules, this question did come up and the Committee on Ways and Means was supposed to retain jurisdiction over that figure.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I will yield.

Mr. ULLMAN. The issue as the gentleman has stated it is correct. We must remember there will be some discrepancy in the debt number and the budget number because of the off-budget expenditures and because of the lending to the trust fund which becomes an additional debt burden. Those will be included in our recommendation but it is my understanding, as the gentleman has suggested, that then the Committee on the Budget has the authority to make that figure conform to whatever budget figure is arrived at.

The CHAIRMAN. The time of the gentleman has again expired.

(At the request of Mr. LATTA, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 1 additional minute.)

Mr. LATTA. Will the gentleman yield further?

Mr. GEPHARDT. I do yield to the gentleman from Ohio.

Mr. LATTA. In view of what has been said by the chairman of the Committee on Ways and Means, we do really get a confused situation here. If they submit to the Committee on the Budget a figure that does have these off-budget items in it and then we have to adjust that figure in the Committee on the Budget to take them out since we do not have jurisdiction, do we then submit a figure to the House without those figures? Is that what the gentleman says?

□ 1350

Mr. GEPHARDT. Mr. Chairman, if the gentleman will yield to me, the Committee on Ways and Means on advice of the Treasury Department and others makes a judgment on the amount of public debt ceiling increase necessary to accommodate off-budget spending. As it is now in the budget process, the Budget Committee will take that figure and adjust it as it deems necessary for changes made in the budget process with regard to direct spending on budget. There is no reason today that the Budget Committee cannot change that figure as well if they are made aware of changes in off-budget spending which would require changes in that number. It is a procedure that we practice today.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. GEPHARDT) has again expired.

(At the request of Mr. LATTA, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 1 additional minute.)

Mr. GEPHARDT. Mr. Chairman, it is a procedure that we practice today and it is a procedure that we would continue to practice. It is simple. It is straightforward. There is no confusion about it. The number that comes from the Committee on Ways and Means is now and can be and should be adjusted by the Budget Committee when we go through the process. If when it is all over the number that winds up in the joint resolution and winds up changing the debt ceiling, if it becomes a number that is not high enough, there is always provision, as I

said before, for the Committee on Ways and Means to bring free-standing legislation to affect the public debt.

Mr. LATTA. Mr. Chairman, will the gentleman yield further?

Mr. GEPHARDT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, let us take a specific case. Today we have a request by the Committee on Ways and Means to increase the debt ceiling, which includes off-budget items of \$879 billion. Suppose this new process was in place and that figure is submitted to the Budget Committee. We then have to deduct \$16 billion or thereabouts for the off-budget items before it is submitted to the House; is that the procedure that we are going to follow?

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the distinguished chairman.

Mr. ULLMAN. That is included in the figure now. It would be included when the Committee on Ways and Means acted.

It is my understanding that the figure we would send to the Budget Committee would include the off-budget items and the additional debt required for lending to the trust fund. That is in this budget resolution that we have before us today. It would be in the recommendation we would make to the Budget Committee in this procedure under the Gephardt amendment.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words. I rise in support of the amendment.

Mr. Chairman, let me say that I think we have a very confused situation here if this legislation passes, because as the colloquy has just been revealed, the Committee on Ways and Means is going to submit a figure identical to the figure that we would have today and as I understand it from the colloquy, the Budget Committee would not have the jurisdiction to include those off-budget items. So how do we get to the point, and I ask and I will be happy to yield to my chairman, how do we get to the point where we do have \$879 billion before the House?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield.

Mr. GIAIMO. Let us not try to confuse the situation any more than it is. Lord knows it is confused enough.

Mr. LATTA. It is confused. I am trying to get it clarified.

Mr. GIAIMO. Well, I think it is eminently clear and I think the gentleman knows what it is. The Committee on Ways and Means will make a March 15 report to the Budget Committee. In there they will tell us what their estimate of revenues will be and along with that what their estimate of the debt will be.

I assume your estimate of the debt will be the on-budget debt, the off-budget debt and anything else that you think ought to be in that debt picture. If I am wrong, I wish the chairman of the Committee on Ways and Means would correct me right now.

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. GIAIMO. All right. Then we proceed. We get the March 15 reports from all the committees. Then we proceed to put a budget together. Lord knows how we are proceeding right now, as you well know. We are having a devil of a time doing it, as the gentleman well knows.

Mr. LATTA. I have to say Amen to that.

Mr. GIAIMO. The gentleman can say Amen to that and say a couple more Amens tonight and tomorrow morning before we bring it up.

Then we put together a budget. We decide what the priorities of this Nation are. We decide what we are going to have to need in budget authority and in outlays. We make our upgraded assumptions based upon information fed to us by CBO, by OMB, by the Council of Economic Advisors, by econometric models from all over the country, the gentleman knows that. The gentleman is on the committee.

Mr. LATTA. We know that. We understand all that. Let us get back to the budget figure.

Mr. GIAIMO. I am trying to explain it, if the gentleman will yield, and I will get the gentleman some time.

We then make a determination of what we are going to need in outlays, what the revenues will be and what our deficit will be. Then we consider the off-budget items also and their debt and we come up with the fifth aggregate, which is the public debt.

We have the freedom, as I understand it under this legislation, to determine what that debt number will be without having to go back to the Committee on Ways and Means. Is that a correct statement of fact?

Mr. ULLMAN. Mr. Chairman, if the gentleman will yield, that is the only way the procedure can possibly work. The gentleman is stating it correctly.

Mr. GIAIMO. Fine; that being the case, I will support the legislation. If it were otherwise and if we had to go through this agony, but the Committee on Ways and Means retained control, then I would be up here not only supporting the gentleman, but I would be fighting for the gentleman's amendment; but that is not the case and it is quite clear that we have the freedom to do this. Therefore, I think it is a more orderly process which the Committee on Ways and Means is trying to accomplish and I think we ought to go ahead with it.

If there is any confusion left in the mind of the gentleman from Ohio (Mr. LATTA), please let me know and I will try to clarify it.

Mr. LATTA. Well, the confusion is that we have been all around Robin Hood's barn, as the old saying goes; but the question comes right back to the \$879 billion that they have submitted.

Now, if this matter was in place, would that now be in our budget resolution, \$879 billion?

Mr. GIAIMO. I believe it would, if that was the number we decided and voted on in the Budget Committee.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I would be delighted to yield.

Mr. ULLMAN. This number will carry you through to May 31. The budget resolution will come up before that time and in that budget resolution you will make the further extension to the debt ceiling that will have to be made to conform with the decisions in the budget.

Mr. LATTA. Mr. Chairman, let me reclaim my time.

It points out once again that you are going to have a double burden to carry when you have the budget resolution before this House. It has already been indicated that there is \$879 billion in this bill. You are going to have to carry that along with the budget resolution itself, which always has a perilous time getting through this House; so we are going to have an extremely difficult job of passing a budget resolution.

Now, if we want the budget process to prevail, I think that we have to turn down this proposal. It has been up before. This is nothing new. It has been up a year ago in a slightly different form. It was discussed in the subcommittee on rules.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. Mr. Chairman, the matter of the Committee on Ways and Means relieving itself of the jurisdiction in this area is not new. It did not come up just a year ago. I remember many, many times before the Committee on Rules it was discussed. The Committee on Ways and Means certainly would like to relieve itself of this responsibility, and why I do not know; but I think this is where it belongs, with the Committee on Ways and Means. It is their function to raise the money to pay these taxes. I think that that is where the responsibility for the debt limit is. That goes hand in hand with the job they have to perform.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

I would like to respond to my chairman who feels that increasing the debt ceiling is not another form of taxation. It is, too. It is another way to raise the money for expenditure levels. I do not care what anybody says, someday that is going to have to be paid for.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, as the gentleman has pointed out, included in our general budget considerations are interest charges to pay for that debt. Now, to believe that it is not another form of taxation is I think hiding our heads in the sand. It is another way of raising money to pay for all those expenditures. True, that is unpleasant to have to vote for that, especially for

many of the people that vote for those big expenditures when they come along, because they want all the people back home to believe the wonderful things they are doing for them; but the point is it is another way of paying for it.

I say it is another form of taxation. I think it should be a second discipline on the House to require us to vote on the increase of that debt.

Mr. Chairman, I urge support for my own resolution.

□ 1400

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 11, noes 21.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 283, not voting 19, as follows:

[Roll No. 510]

AYES—132

Abdnor	Goodling	Mottl
Anderson, Calif.	Grassley	Neal
Anderson, Ill.	Grisham	Paul
Andrews, N.C.	Guyer	Petri
Archer	Hagedorn	Pursell
Ashbrook	Hammer	Rinaldo
Atkinson	schmidt	Robinson
Badham	Hansen	Roth
Bafalis	Heckler	Roussot
Bauman	Hillis	Rudd
Bereuter	Hinson	Runnels
Bethune	Hollenbeck	Satterfield
Brinkley	Hott	Sawyer
Broomfield	Hopkins	Sebellus
Buchanan	Horton	Sensenbrenner
Burgener	Hyde	Shumway
Butler	Ichord	Shuster
Carney	Jeffords	Smith, Nebr.
Cheney	Jeffries	Snyder
Clausen	Johnson, Colo.	Solomon
Cleveland	Kelly	Spence
Coleman	Kindness	Stangeland
Collins, Tex.	Kramer	Stanton
Corcoran	Lagomarsino	Stump
Crane, Daniel	Latta	Symms
Crane, Philip	Leach, Iowa	Tauke
Daniel, Dan	Leach, La.	Taylor
Daniel, R. W.	Lee	Thomas
Dannemeyer	Lent	Trible
Davis, Mich.	Lewis	Vander Jagt
Deckard	Livingston	Walgren
Derwinski	Loeffler	Walker
Devine	Lott	Wampler
Dickinson	Lujan	Weiss
Dornan	Lungren	Whitehurst
Dougherty	McClory	Whittaker
Duncan, Tenn.	McDonald	Williams, Ohio
Early	Madigan	Wyatt
Edwards, Okla.	Marlenee	Wydler
Emery	Marriott	Wyllie
Erdahl	Mathis	Yatron
Evans, Del.	Miller, Ohio	Young, Alaska
Gilman	Minish	Young, Fla.
Gingrich	Mitchell, N.Y.	
Goldwater	Moorhead, Calif.	

NOES—283

Addabbo	Barnes	Bonker
Akaka	Beard, R.I.	Bouquard
Albosta	Beard, Tenn.	Bowen
Alexander	Bedell	Brademas
Ambro	Bellenson	Breaux
Andrews, N. Dak.	Benjamin	Brodhead
Annuizio	Bennett	Brooks
Anthony	Bevill	Brown, Calif.
Applegate	Blaggi	Brown, Ohio
Ashley	Bingham	Broyhill
Aspin	Blanchard	Burlison
AuCoin	Boggs	Burton, John
Bailey	Boland	Burton, Phillip
Baldus	Bolling	Byron
Barnard	Boner	Campbell
	Bonior	Carr

Cavanaugh	Hightower	Pease
Chappell	Holland	Pepper
Chisholm	Howard	Perkins
Clay	Hubbard	Peyser
Clinger	Huckaby	Pickle
Coelho	Hughes	Preyer
Collins, Ill.	Hutto	Price
Conable	Ireland	Pritchard
Conte	Jacobs	Quayle
Corman	Jenkins	Rahall
Cotter	Jenrette	Rallsback
Coughlin	Johnson, Calif.	Rangel
Courter	Jones, N.C.	Ratchford
D'Amours	Jones, Okla.	Regula
Danielson	Jones, Tenn.	Reuss
Daschle	Kastenmeier	Rhodes
Davis, S.C.	Kazen	Richmond
de la Garza	Kemp	Ritter
Dellums	Kildee	Roberts
Derrick	Kogovsek	Roe
Dicks	Kostmayer	Rosenthal
Dingell	LaFalce	Rostenkowski
Dixon	Leath, Tex.	Roybal
Dodd	Lederer	Royer
Donnelly	Lehman	Russo
Downey	Leland	Sabo
Drinan	Levitas	Santini
Duncan, Oreg.	Lloyd	Scheuer
Eckhardt	Long, La.	Schroeder
Edgar	Long, Md.	Schulze
Edwards, Ala.	Lowry	Seiberling
Edwards, Calif.	Lukens	Shannon
English	Lundine	Sharp
Ertel	McCloskey	Shelby
Evans, Ga.	McCormack	Simon
Evans, Ind.	McDade	Skelton
Fary	McEwen	Smith, Iowa
Fascell	McHugh	Snowe
Fazio	McKay	Solarz
Fenwick	McKinney	Spellman
Ferraro	Maguire	St Germain
Findley	Markey	Stack
Fisher	Marks	Staggers
Flithan	Martin	Stark
Flippo	Matsui	Steed
Florio	Mattox	Stenholm
Foley	Mavroules	Stewart
Ford, Mich.	Mazzoli	Stockman
Ford, Tenn.	Mica	Stokes
Forsythe	Michel	Stratton
Fountain	Mikulski	Studds
Fowler	Mikva	Swift
Frenzel	Miller, Calif.	Synar
Frost	Mineta	Thompson
Fuqua	Mitchell, Md.	Traxler
Garcia	Moakley	Udall
Gaydos	Moffett	Ullman
Gephardt	Mollohan	Van Deerlin
Gialmo	Montgomery	Vanik
Gibbons	Moore	Vento
Ginn	Moorhead, Pa.	Volkmer
Glickman	Murphy, N.Y.	Watkins
Gonzalez	Murphy, Pa.	Weaver
Gore	Murtha	White
Gradison	Myers, Pa.	Whitley
Gramm	Natcher	Whitten
Gray	Nedzi	Williams, Mont.
Green	Nelson	Wilson, Bob
Guarini	Nichols	Wilson, C. H.
Gudger	Nowak	Wilson, Tex.
Hall, Ohio	O'Brien	Wirth
Hamilton	Oakar	Wolf
Hance	Oberstar	Wolpe
Harkin	Obey	Wright
Harris	Ottenger	Yates
Harsha	Panetta	Young, Mo.
Hawkins	Pashayan	Zablocki
Hefner	Patten	Zerferetti
Heftel	Patterson	

NOT VOTING—19

Carter	Hanley	Rose
Conyers	Holtzman	Slack
Diggs	Murphy, Ill.	Treen
Erlenborn	Myers, Ind.	Waxman
Fish	Nolan	Winn
Flood	Quillen	
Hall, Tex.	Rodino	

□ 1410

Messrs. ASPIN, REUSS, and FOUNTAIN changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McHUGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5369) to provide for a temporary increase in the public debt limit, and to amend the Rules of the House of Representatives to make possible the establishment of the public debt limit in the future as a part of the congressional budget process, pursuant to House Resolution 425, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 219, nays 198, not voting 17, as follows:

[Roll No. 511]

YEAS—219

Addabbo	Dingell	Jenrette
Akaka	Dixon	Johnson, Calif.
Albosta	Dodd	Jones, N.C.
Alexander	Donnelly	Jones, Okla.
Anderson, Ill.	Downey	Kastenmeier
Andrews, N.C.	Drinan	Kazen
Annuizio	Duncan, Oreg.	Kildee
Anthony	Eckhardt	Kogovsek
Ashley	Edgar	Kostmayer
Aspin	Edwards, Calif.	LaFalce
Atkinson	Evans, Ga.	Lederer
AuCoin	Fary	Lehman
Bailey	Fascell	Leland
Baldus	Fazio	Lloyd
Barnes	Ferraro	Long, La.
Bedell	Fisher	Long, Md.
Beilenson	Fithian	Lowry
Benjamin	Flippo	Lukens
Bennett	Florio	Lundine
Bevill	Foley	McCloskey
Blaggi	Ford, Mich.	McCormack
Bingham	Ford, Tenn.	McHugh
Blanchard	Forsythe	McKay
Boggs	Fowler	McKinney
Boland	Frost	Maguire
Bolling	Fuqua	Markey
Boner	Garcia	Matsui
Bonior	Gephardt	Mattox
Bonker	Gialmo	Mavroules
Brademas	Gibbons	Mazzoli
Brinkley	Ginn	Mica
Brodhead	Glickman	Mikulski
Brooks	Gonzalez	Mikva
Brown, Calif.	Gore	Mineta
Burlison	Gray	Minish
Burton, Phillip	Guarini	Mitchell, Md.
Carr	Gudger	Moakley
Cavanaugh	Hall, Ohio	Moffett
Chisholm	Hamilton	Mollohan
Clay	Hance	Moorhead, Pa.
Coelho	Harris	Murphy, N.Y.
Collins, Ill.	Hawkins	Murtha
Corman	Heckler	Myers, Pa.
Cotter	Hefner	Natcher
Danielson	Heftel	Nedzi
Daschle	Hightower	Nelson
Davis, S.C.	Holland	Nowak
Dellums	Howard	Oakar
Derrick	Hutto	Oberstar
Dicks	Jenkins	Obey

Ottinger	Scheuer	Udall
Panetta	Seiberling	Ullman
Patten	Shannon	Van Deerlin
Patterson	Sharp	Vanik
Pease	Simon	Vento
Pepper	Skelton	Volkmmer
Perkins	Slack	Walgren
Peyser	Smith, Iowa	Watkins
Pickle	Solarz	Waxman
Preyer	Spellman	White
Price	St Germain	Whitley
Rahall	Stack	Whitten
Rangel	Staggers	Williams, Mont.
Ratchford	Stark	Willson, C. H.
Reuss	Steed	Wilson, Tex.
Richmond	Stewart	Wirth
Roberts	Stokes	Wolpe
Roe	Stratton	Wright
Rosenthal	Studds	Wyatt
Rostenkowski	Swift	Yates
Roybal	Synar	Young, Mo.
Russo	Thompson	Zablocki
Sabo	Traxler	Zeferetti

NAYS—198

Abdnor	Fountain	Montgomery
Ambro	Frenzel	Moore
Anderson, Calif.	Gaydos	Moorhead,
Andrews, N. Dak.	Gilman	Calif.
Applegate	Gingrich	Mottl
Archer	Goldwater	Murphy, Pa.
Ashbrook	Goodling	Neal
Badham	Gradison	Nichols
Bafalis	Gramm	O'Brien
Barnard	Grassley	Pashayan
Bauman	Green	Paul
Beard, R.I.	Grisham	Petri
Beard, Tenn.	Guyer	Pritchard
Bereuter	Hagedorn	Pursell
Bethune	Hall, Tex.	Quayle
Bouquard	Hammer-	Rallsback
Bowen	schmidt	Regula
Breaux	Hansen	Rhodes
Broomfield	Harkin	Rinaldo
Brown, Ohio	Harsha	Ritter
Broyhill	Hillis	Robinson
Buchanan	Hinson	Roth
Burgener	Hollenbeck	Rousselot
Burton, John	Holt	Royer
Butler	Hopkins	Rudd
Byron	Horton	Runnels
Campbell	Hubbard	Santini
Carney	Huckaby	Satterfield
Chappell	Hughes	Sawyer
Cheney	Hyde	Schroeder
Clausen	Ichord	Schulze
Cleveland	Ireland	Sebellus
Clinger	Jacobs	Sensenbrenner
Coleman	Jeffords	Shelby
Collins, Tex.	Jeffries	Shumway
Conable	Johnson, Colo.	Shuster
Conte	Jones, Tenn.	Smith, Nebr.
Corcoran	Kelly	Snowe
Coughlin	Kemp	Snyder
Courter	Kindness	Solomon
Crane, Daniel	Kramer	Spence
Crane, Philip	Lagomarsino	Stangeland
D'Amours	Latta	Stanton
Daniel, Dan	Leach, Iowa	Stenholm
Daniel, R. W.	Leach, La.	Stockman
Dannemeyer	Leath, Tex.	Stump
Davis, Mich.	Lee	Symms
de la Garza	Lent	Tauke
Deckard	Levitas	Taylor
Derwinski	Lewis	Thomas
Devine	Livingston	Trible
Dickinson	Loeffler	Vander Jagt
Dornan	Lott	Walker
Dougherty	Lujan	Wampler
Duncan, Tenn.	Lungren	Weaver
Early	McClory	Weiss
Edwards, Ala.	McDade	Whitehurst
Edwards, Okla.	McDonald	Whittaker
Emery	McEwen	Williams, Ohio
English	Madigan	Wilson, Bob
Erdahl	Marks	Wolf
Ertel	Marlenee	Wydlar
Evans, Del.	Marriott	Wyllie
Evans, Ind.	Mathis	Yatron
Fenwick	Michel	Young, Alaska
Findley	Miller, Calif.	Young, Fla.
	Miller, Ohio	
	Mitchell, N.Y.	

NOT VOTING—17

Carter	Hanley	Quillen
Conyers	Holtzman	Rodino
Diggs	Martin	Rose
Erlenborn	Murphy, Ill.	Treen
Fish	Myers, Ind.	Winn
Flood	Nolan	

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Hanley for, with Mr. Erlenborn against.
Mr. Rodino for, with Mr. Quillen against.
Mr. Nolan for, with Mr. Fish against.
Ms. Holtzman for, with Mr. Carter against.
Mr. Conyers for, with Mr. Myers of Indiana against.

Mr. Diggs for, with Mr. Winn against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ULLMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4389) entitled "An Act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 3, 16, 21, 62, 64, 65, 78, 127, 139, 140, and 142, the Senate further insisted on its amendment numbered 137 to the foregoing bill.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 737) entitled "An act to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the ability to engage in commerce," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIER, Mr. STEVENSON, Mr. WILLIAMS, Mr. TSONGAS, Mr. GARN, Mr. HEINZ, and Mrs. KASSEBAUM to be the conferees on the part of the Senate.

REFERRAL OF H.R. 5375 JOINTLY TO COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION AND COMMITTEE ON WAYS AND MEANS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the bill, H.R. 5375, to establish a trust fund for public mass transportation projects, to amend title 23, United States Code, to provide for transportation systems management, and for other purposes, which was initially referred solely to the Committee

on Public Works and Transportation, be jointly referred to the Committee on Ways and Means.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

The was no objection.

CONFERENCE REPORT ON H.R. 4393, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1980

Mr. STEED. Mr. Speaker, I call up the conference report on the bill (H.R. 4393) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will read the conference report.

The Clerk proceeded to read the conference report.

Mr. STEED (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(For conference report and statement, see proceedings of the House of September 24, 1979.)

The SPEAKER. The gentleman from Oklahoma (Mr. STEED) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. MILLER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, we bring up today the conference report on one of our major appropriation bills. I think we have worked out, under the circumstances, a very good compromise on the points at issue so that we can present the House today with a very good product, one that carries out almost entirely the express wishes and will of the House.

We have a bill that is over the amount in the House bill when it left, but it is under the amount put in by the other body, and it is considerably under the budget request. It is a half-billion dollars under this same bill a year ago.

We have been able to cope with the automatic workloads the agencies covered in this bill may have to contend with during the coming year. I think we have given them all of the resources they will need which will assure that they can carry on a good, healthy program for the coming year.

As my colleagues know, in the Treasury Department, the Postal Service, and the general agencies most of the work in this bill constitutes what is the heart of the Federal Government. They perform services and collect revenues that create workloads beyond their control, so we feel we have to give them what resources they need to meet these needs

that they are commanded by law to perform.

□ 1440

I think that we can rest assured that we have met all these needs. Now, there is one item in here that we have had some difficulty with. It has to do with the item for former Presidents. Of course, I know the House Members realize what the law requires. We have tried to keep in mind how the House feels about it, and also live with what the views of the other body are. I think that we have done the best we can at this point. However, I think it only fair to say that evidence of the attitude of the House would seem to me the signal that our legislative committee would be wise in taking up some consideration of this item, and maybe making some substantial changes in the law, because as long as the law stands as it is, the Appropriations Committee is quite limited in its ability to do anything about it.

We are told by the agencies downtown that under the law as it reads now, most of the things some of the Members would like to have done might be subject to a lawsuit. Therefore, I think it takes a change in the basic legislation to cure some of the objections. We hope that what we have done this year would urge the legislative committee to give the matter some attention so that next year we will not have this difficulty.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, about a year and a half ago this House acted, the Senate acted, and the President signed into law a certain matter affecting tax collection in the Northern Mariana Islands. At this point in the RECORD, hoping that the affected agency will read this suggestion and admonition, at the instance of the majority and minority staffers and leadership of our committee, we drafted for the Northern Marianas language which would trigger off an effective request pursuant to the terms of our bill that is now law, that the IRS begin collecting taxes starting the first of the coming year.

IRS is pretending, I gather, that despite the fact that the law is clear, and despite the fact that our committee drafted the resolution so that there could be no mistake to trigger off an effective request to IRS, they still have not tooled up to proceed with this responsibility.

I merely wanted to alert my dear friend and distinguished chairman of the Appropriations Subcommittee that our subcommittee is going to be heard from if IRS does not understand that they do have a responsibility to comply with the law. I might note that this is not the matter that we had discussed previously, but I wanted the record at this point to reflect our determined interest that IRS comply with Federal law as is on the statute books and as was requested by the government of the Northern Mariana Islands when they passed a law without changing a word that was drafted by our subcommittee, with the interest that we would not be confronted with this silly dilemma we apparently may be con-

fronted with on this very minor but important question.

Mr. STEED. I would like to call the gentleman's attention to the fact that in this report, this bill, we have given the IRS money and extra employees above their request. So, they do have the manpower and the money.

Mr. PHILLIP BURTON. I thank the gentleman and my dear friend from Oklahoma.

Mr. KAZEN. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, let me for a moment get parochial. There was an item in our bill when it passed the House containing an appropriation for a facility in my district. That facility was the new border station at Laredo, Tex. I ask the distinguished chairman if the appropriation as was contained in the original bill is included in this conference report?

Mr. STEED. The Laredo project in its entirety is in this bill. I am glad the gentleman brings this up, because other Members may have similar problems. I might say that in his case it was made whole, because the legislative committees finished work on the prospectus. We have funded all those that got the same treatment the gentleman's did, and as soon as the others come in we will be in a position to do the same thing with them.

Mr. KAZEN. I thank the gentleman. I have just one more question, if the gentleman will yield. I am very interested in the customs personnel, and as usual I hope that the committee has given the Customs Service enough money to employ the personnel that they need to carry on their activities. I know that at this new border station which we are talking about in Laredo we are going to need some more personnel in order to make it a 24-hour station. That station brought in \$34 million last year, working only 12 hours at the new bridge because we are shorthanded there. I just want to make sure that the conference report gives the Customs Service enough money to hire the needed personnel down here for a 24-hour-a-day operation.

Mr. STEED. May I say to the gentleman that he knows that in recent years we have several times gone over the budget to give the Customs Service extra money and extra people only to have it frozen down at OMB. We have 200 new people in this bill, and the money to pay for them, and I was assured no later than last evening by the OMB that they will accept this and make available to the Customs Service this additional manpower. So, I do not see any problem in getting the gentleman's needs.

Mr. KAZEN. I want to thank the gentleman and commend him for the wonderful work he has done on this matter.

Mr. STEED. In our report the gentleman will notice that we have insisted that this manpower be dedicated to the inspectional requirements of Customs Service so that this sort of problem will be met.

Mr. KAZEN. I thank the gentleman.

Mr. GINN. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Georgia.

Mr. GINN. Mr. Speaker, I ask the gentleman to yield to ask him a very important question on a provision that means a great deal.

Did the conferees include the additional \$879,000 requested by the GSA Board of Contract Appeals in the conference report?

Mr. STEED. Yes, we did. The Senate approved the increase and the House certainly had no intention of disapproving it. The funds we are appropriating for the account of "Administrative and Staff Support Services" is to include an appropriation to the Board of Contract Appeals in the amount of \$1,587,000 which includes the additional \$879,000.

Mr. GINN. I thank the gentleman.

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I rise in opposition to the conference report. I do so because the version of an amendment I offered in the House which was finally approved does not reflect my initial intent. Admittedly, the conferees are not responsible for this situation. My amendment to delete the funding for postal subsidiaries to political committees, was amended on the House floor to the point that I could not agree to it, and the Senate subsequently agreed to identical language as that approved by the House. Hence, this was not a matter open for discussion in the conference.

Nonetheless, the way the bill currently reads with regard to availability of special reduced rate bulk mail service for political party committees, it is nothing short of discriminatory. I offered an amendment to delete the funding entirely for that special subsidy. I did so for two simple reasons. First, I was—and remain—convinced that political parties do not fall into the same category as the nonprofit organizations which are intended to benefit from those reduced rates. And, second, the subsidy which was quietly authorized in unrelated legislation last year, has proven exceptionally expensive—much more so than originally anticipated.

Admittedly, the language included in this bill addresses the cost factor by restricting the subsidy to \$4 million. But in doing so, the language in the bill is drafted to restrict eligibility for the subsidy to the two major parties—those which qualified for matching funds under the Presidential campaign finance law. Admittedly, we have traditionally been a two-party nation for the most part. But there has also been a history of minor parties representing alternative views. They have had an impact on our history and on governmental policies. And, in fact, from time to time, minor parties have become major parties. By restricting access to Government benefits, we are setting up institutional barriers to the formation of such parties. I

by no means agree with the positions of a number of the smaller parties which exist in this country today. I am a Democrat and proud to be one. But I do respect the right of those parties to exist and to receive equal treatment under the laws. That is part and parcel to our system of political freedom, and for that reason I cannot support this conference report.

I do not intend to allow this question to be left unresolved. I was glad to note that the conferees intend to secure specific cost figures from the Postal Service on the expense of this subsidy during fiscal 1979. I have a bill, H.R. 4339, to repeal the subsidy altogether, and I hope the appropriate substantive committee, Post Office and Civil Service, will act favorably on it.

Mr. MILLER of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the conference report before us today we have \$8.8 billion for fiscal year 1980. We should keep in mind where we really are, because it looks like we are in better shape than we actually are. We are under the budget by \$184 million, but last year we had a one-time only expenditure of \$543 million. That was for the payment to HEW for certain social service programs that were claimed to the States. It was necessary by law to make those payments. So, not counting the \$543 million one-time payment, what it amounts to is that we are actually over last year's expenditure by approximately \$26 million.

We have several important things that were discussed in this bill, first in the subcommittee, then the full committee, then on the floor, and finally in the conference. An interesting item concerns the Presidential nominees that were running, as the Members are aware, in the last Presidential election, the candidates' committees billed the Secret Service for seats on airplanes. The candidates would be hopping from city to city, taking Secret Service people with them, then, the committee would charge the Secret Service for those seats occupied by the Secret Service agents who were there for the protection of that candidate.

□ 1450

In the last Presidential election as a matter of fact, little over \$1 million was spent for that purpose. We have attempted to stop that, and this is the best we have been able to do at this time. We have had amendments in that would stop it literally, but that creates a problem for the Secret Service because they are mandated to protect the nominee. They could, in the long run, have to hire another plane, or whatever it would take to follow up the nominee. We now have language encouraging the Secret Service to have the nominee sign a waiver that he does not want the protection and, the Secret Service would not need to send the agents. Or if the nominee does require the protection of the Secret Service, he will, in turn, furnish the seat so that the Secret Service will not have to reimburse the committee. As a matter of fact, we have requested a report from the Secret Service,

before the election so that we will be able to make it public. If the committees for the various Presidential nominees actually bill back to the Federal Government, the public will know it. In addition, it is not impossible for someone running for President to receive matching money and use the taxpayers' dollars to lease a plane, and then turn around and double the amount by charging the Secret Service for seats on the plane. They actually make money. So we have attempted to plug that loophole, and I believe by making the report public before the election we will find it will be effective.

We have another item in the bill. This will stop the President from using the \$5,000 expense money for himself or for other purposes. Last year about \$1,372 of the \$50,000 was spent on expenses, and the President was able to collect the balance. That was legal. He did nothing wrong, but nevertheless, now we have language that was presented by the gentleman from Maryland (Mr. BAUMAN) and it is still in the conference report, that will require this money to revert to the Treasury if the President does not use it for expense purposes.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I want to thank the gentleman for his explanation and also to thank the individual conferees and the chairman of the subcommittee for upholding the House's position. I think it is a wise amendment, obviously—I offered it—and I am glad that the other body accepted it. I think it brings the Presidential expense allowances in line with the same restrictions that the Congress has on their expense allowances, and I do appreciate it.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. I see today we are in line for many commendations, and I, too, would like to add my words of commendation to my distinguished friend and colleague, the gentleman from Ohio (Mr. MILLER) and to the chairman of the committee, the gentleman from Oklahoma (Mr. STEED). As I review this report, a great amount of the language that the House adopted on the floor was held in conference, and some over the objection of many on the other side. As a matter of fact, it took a couple of votes on the particular amendment I offered, the so-called IRS private school amendment. I think my colleague knows it was knocked out in committee over there. It was put in on the floor 47 to 41, and our conferees steadfastly held in the Senate. I think not only I commend the gentleman, but I know I speak for many millions of Americans who are concerned about the intrusion in the private school sector. We thank the gentleman for his diligent work, and I think commendations are clearly in order.

Mr. MILLER of Ohio. I thank the gentleman from Ohio, and I would like to say at this time that it was on his insistence here on the House floor that the amendment became a part of the bill and still is in the conference report. It is very important to many, many people because it does prohibit the Internal Revenue Service from implementing the proposal dealing with the tax-exempt status for private schools, and many, many people around the country are interested in that. I know I have received mail on this subject and I assume every Member here has. So, on the insistence of the gentleman from Ohio (Mr. ASHBROOK) it will be a proposal to stop the Internal Revenue Service from implementing those regulations on the tax-exempt status of private schools.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding. I, too, would like to compliment both the gentleman from Ohio and to specifically say that the Ashbrook amendment was certainly of a great deal of interest in the State of Idaho. We are very delighted that it is part of the bill and that that exemption now will be kept.

I would also like to commend the committee and also my colleague, the gentleman from Idaho in the other body, who put the amendment in on the other side of the Hill which I did in this body, which will limit the harassment that the Internal Revenue Service will be able to give to good, upstanding taxpayers in this country, and make the Internal Revenue Service go by the same rules private debt collectors are asked to operate under, a standard of ethics that this Congress passed a year before on that subject. I look forward to seeing less harassment to all of our constituents on behalf of those who do not deserve harassment, and that the IRS will then get the message that the tax collector can become very abhorrent to the American people, and we hope they will take heed of that section of this bill.

Mr. MILLER of Ohio. I thank the gentleman from Idaho.

There are just a couple more points I would like to make. We heard just a few years ago that the staff of the White House would be reduced by about one-third. In 1977 the budget for the White House Office was \$16,530,000, and in this conference report we have \$18,210,000. I do not believe that a lot of positions have been abolished, but we have had a lot of shuffling of the deck by an Office of Administration that has been set up in the White House, and it shows that the expense has continued to climb.

There is just one other point I want to make. The Bureau of the Public Debt comes to our subcommittee for their funds to operate. We now have a public debt that is almost \$900 billion and we will be paying interest in the neighborhood of \$60 billion annually, or about \$150 million a day interest on that public debt. It shows also the additional expense that is in this bill just to manage the public debt. In 1970 we had \$60 million

just to manage the public debt. In the bill this year for fiscal year 1980 we have \$183 million just to manage the public debt. At this point I would like to insert material on the debt into the Record.

PUBLIC DEBT

[In billions of dollars]

1958	279.7
1959	287.8
1960	290.9
1961	292.9
1962	303.3
1963	310.8
1964	316.8
1965	323.2
1966	329.5
1967	341.3
1968	369.8
1969	367.1
1970	382.6
1971	409.5
1972	437.3
1973	468.4
1974	486.2
1975	544.1
1976	631.9
1977	709.1
1978	780.4
1979 estimate	839.2
1980 estimate	899.0
1981 estimate	940.3
1982 estimate	951.9

FOREIGN HOLDINGS OF U.S. TREASURY SECURITIES

Question. What are the foreign holdings, by country, of U.S. Treasury securities?

Answer. Outstanding amounts of U.S. Treasury securities held by foreigners as of yearends 1976, 1977, and 1978 are as follows:

ESTIMATED TOTAL FOREIGN HOLDINGS OF MARKETABLE AND NONMARKETABLE TREASURY BILLS, NOTES, AND BONDS REPORTED BY BANKS AND BROKERS AS OF SELECTED YEARENDS 1976, 1977, AND 1978

[In millions of dollars]

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 ¹
Europe:			
Austria	157.1	130.3	52.2
Belgium-Luxembourg	1,137.5	1,211.4	742.1
Denmark	215.5	590.0	1,474.1
Finland	36.4	74.6	49.8
France	3,044.0	3,435.1	6,490.1
Germany	22,275.5	26,001.0	41,086.6
Greece	60.1	75.3	95.1
Italy	1,640.2	4,796.9	3,965.0
Netherlands	2,256.4	2,503.3	2,164.3
Norway	532.9	632.7	791.2
Poland		.6	.7
Portugal	2.4	.2	.3
Spain	1.5	2.2	2.2
Sweden	1,343.1	2,208.6	2,600.3
Switzerland	5,092.3	7,352.9	14,874.1
Turkey	(²)	(²)	(²)
United Kingdom	1,125.1	12,070.6	6,344.3
U.S.S.R.	13.1	9.0	27.1
Yugoslavia	448.8	489.9	283.5
Other Europe			
Total, Europe	39,381.9	61,584.6	81,043.0
Canada	3,446.7	2,334.8	2,510.0
Latin America and Caribbean:			
Argentina	57.1	15.6	.9
Bahamas	13.5	13.4	4.0
Bermuda	14.1	(²)	19.1
Brazil	5.1	2.4	.3
British West Indies	4.0	6.2	12.6
Chile	.2	.3	2.2
Colombia	231.3	483.1	333.6
Cuba			(²)
Ecuador	5.1	18.6	8.5
Mexico	27.9	25.8	27.4
Netherlands Antilles	125.2	176.6	180.6
Panama	22.7	13.7	15.8
Peru	(²)	2.1	(²)
Trinidad and Tobago		17.1	
Uruguay	.1	(²)	(²)
Venezuela	545.5	490.7	153.0
Other Latin America and Caribbean	146.5	157.2	83.0
Total, Latin America and Caribbean	1,198.3	1,422.9	841.0

Country	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 ¹
Asia:			
China:			
Mainland	(²)	(²)	(²)
Taiwan	258.2	211.6	24.8
Hong Kong	152.9	201.3	221.4
India	451.5	774.5	682.7
Indonesia	96.1	128.4	69.0
Israel	3.6	9.1	(²)
Japan	12,397.3	18,633.1	28,864.0
Korea	80.7	436.7	450.1
Lebanon	(²)	(²)	.2
Malaysia		244.9	190.8
Pakistan		41.9	41.4
Philippines	10.2	30.3	12.0
Singapore	594.2	696.7	622.4
Syria			
Thailand	233.5	234.7	356.4
Middle East oil-exporting countries	9,765.8	12,483.9	10,837.7
Other Asia	418.8	75.1	71.2
Total, Asia	24,452.8	35,202.2	42,415.1
Africa:			
Egypt	1.4	75.4	36.9
Ghana		(²)	12.8
Liberia			1.2
Morocco			
South Africa	18.8	46.8	53.6
Zaire	6.2	7.8	10.1
African oil-exporting countries	1,246.8	1,005.7	1,585.2
Other Africa	108.1	101.8	45.3
Total, Africa	1,381.3	1,237.5	1,745.1
Other countries:			
Australia	1,566.7	734.0	447.2
All other	27.0	21.6	8.0
Total	1,593.7	755.6	455.2
Total, foreign countries	71,454.7	102,537.6	129,009.4
International and regional:			
International	5,570.2	5,319.6	5,251.0
European regional			2.7
Latin American regional	135.6	103.3	51.7
Asian regional	5.4	8.9	.2
African regional	23.1	20.0	17.2
Total, international and regional	5,734.3	5,451.8	5,322.8
Grand total	77,189.0	107,999.4	134,332.2

¹ Preliminary.² Less than \$500,000.

Source: Department of the Treasury, OASEP/EI/EIS.

FOREIGN HOLDINGS OF U.S. DEBT SECURITIES

Question. What is the composition of Federal debt held by foreign parties? Who holds these instruments?

Answer. The composition of foreign holdings of U.S. Treasury securities was as follows for yearends 1976, 1977 and 1978:

Type of instrument	Dec. 31, 1976	Dec. 31, 1977	Dec. 31, 1978 ¹
Nonmarketable:			
Bills and certificates of indebtedness:			
Dollar	1.7	1.7	7.0
Foreign currency			
Total	1.7	1.7	7.0
Bonds and notes:			
Dollar	19.1	19.3	20.6
Foreign currency	1.5	1.2	1.9
Total	20.6	20.5	22.5
Marketable:			
Bonds and notes ² :			
Bills	15.8	38.6	43.3
	39.1	47.2	61.5
Total	54.9	85.8	104.8
Total	77.2	108.0	134.3
Official holdings:			
Banks and other foreigners:	70.2	108.5	126.1
International and regional organizations	1.3	1.8	2.9
Total	77.2	108.0	134.3

¹ Preliminary.

² Data represent estimated official and private holdings of marketable U.S. Treasury securities with an original maturity of more than 1 year. Data are based on a benchmark survey as of Jan. 31, 1977, and on monthly transactions reports submitted by banks and brokers in the United States.

Source: Department of the Treasury.

INTEREST

[Functional code 900; in millions of dollars]

Programs	1978 actual	1979 estimate	1980 estimate	1981 estimate	1982 estimate
Budget authority:					
Interest on the public debt	48,695	59,800	65,700	68,000	67,800
Other interest:					
Interest on refunds of tax collections	317	321	326	332	337
Interest on loans to the Federal Financing Bank	-2,748	-4,101	-5,504	-5,653	-5,073
Other	-2,297	-3,255	-3,500	-3,552	-3,521
Subtotal, other interest	-4,728	-7,035	-8,679	-8,873	-8,257
Total, budget authority	43,967	52,765	57,021	59,127	59,543

FOREIGN HOLDINGS OF FEDERAL DEBT

[In billions of dollars]

Fiscal year	Interest on debt held by public	
	Total	Foreign
1965	9.8	0.5
1966	10.4	.5
1967	11.6	.6
1968	12.6	.7
1969	14.1	.7
1970	15.6	.8
1971	16.3	1.3
1972	16.6	2.4
1973	18.5	3.2
1974	22.4	4.1
1975	24.7	4.5
1976	28.7	4.4
Transition quarter	7.6	1.2
1977	33.0	5.0
1978	39.2	7.9

Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, at the outset I want to compliment my chairman, the gentleman from Oklahoma (Mr. STEED), and my ranking minority member, the gentleman from Ohio (Mr. MILLER), for doing what I think is an outstanding job with a very difficult piece of legislation.

Mr. Speaker, I rise in support of the conference report on the fiscal 1980 Treasury-Postal Service appropriations bill.

The conferees are recommending total appropriations of \$8,837,278,100. This is more than a half billion dollars less than the amount appropriated last year, and it is \$184 million below the President's budget request.

This bill provides funding for the Department of the Treasury, partial funding for the Postal Service, as well as funding for the White House and related offices, the General Services Administration, the Federal Election Commission,

and the agencies which oversee the Federal bureaucracy.

There are no major controversies that I know of in this conference report. Language adopted by the House related to IRS treatment of private schools is included in the report. Language regarding the President's use of his official expenses as adopted by the House is included in the report, with a clarification that such funds, if used for official expenses, are not taxable. And the House provision related to postal costs of political committees is in the report.

In dollar terms, the conference report is \$9 million below the Senate bill and \$47 million over the House bill, including \$16 million for items not considered earlier by the House.

One significant increase accepted by the House conferees will provide additional resources in the amount of \$16.7 million to the Internal Revenue Service to curb the growing trend toward a "subterranean economy" which threatens this Nation's admirable record of voluntary tax compliance. Language is included in the statement of the managers directing the IRS to maintain quality audit practices to meet this problem.

House conferees have also agreed to additional funding and manpower for the long-needed cleanup of the General Services Administration. A separate, independent account of nearly \$19 million is established for the Office of Inspector General at GSA in order for that office to function without pressure from other offices there.

One of the more difficult issues addressed by the conferees was the funding for activities of former Presidents, and I believe the report contains a reasonable compromise. The conferees reduced President Ford's allowances by \$33,000 as he requested, and President Nixon's allowances have been cut by \$5,000 for travel and \$500 for miscellaneous services. In addition, sense of the Congress language is included in the bill calling for reimbursement to the Government by President Nixon of costs related to improvements to the Casa Pacifica estate in San Clemente.

Mr. Speaker, I urge my colleagues to support this conference report.

□ 1500

Mr. EVANS of Delaware. Will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman for yielding.

Mr. Speaker, I ask for this time to first compliment the gentleman from Oklahoma (Mr. STEED) for his tremendous service to this body and to our country over a period of many years in the House of Representatives and also to express my concern about the activities of the Treasury Department, regarding a hearing we had yesterday in the Committee on Banking, Finance and Urban Affairs.

We are holding oversight hearings concerning the activities of the U.S. Mint with specific reference to the

Susan B. Anthony coin. I had learned from Treasury's testimony before your subcommittee, that there was to be a report prepared by a treasury task force, to be written by representatives from the Mint, the Bureau of Engraving and Printing and the Federal Reserve, which then was to be forwarded to the Secretary of the Treasury on or about May 1 of this year. The report, a long-range assessment of the U.S. currency and coin system recommended that the \$1 bill be withdrawn from circulation to be replaced by the Susan B. Anthony coin. I was told that the report was not ready prior to the hearing.

Mr. Speaker, at those hearings I asked specifically if I could have a copy of the report and was told by the Director of the Mint that it was not yet ready to be released.

Mr. Speaker, within a matter of several hours, I picked up the Washington Star and read about the Treasury Department's recommendation. I am a little concerned about that. I am also concerned that the Treasury Department might be considering eliminating the dollar bill. I think George Washington would turn over in his grave. I just do not think the American people have accepted the coin or that they will accept withdrawing the \$1 bill from circulation.

Mr. STEED. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Oklahoma.

Mr. STEED. It is my understanding that changes in the monetary units of this Nation are made only by legislation. I cannot believe they will make any major change in the Mint or in the Bureau of Engraving and Printing or in the Treasury Department without legislative authority. We have funded all these agencies to continue the same production level they have had and as far as I know they will continue to do so. I am sorry the gentleman was unable to get the information. I received a copy of the report some days ago. I have not read the report in detail but I understand this is only a recommendation without authority to be carried out. I would assume something of that sort will receive a lot of attention both in this body and the other body before it ever becomes a fact.

Mr. EVANS of Delaware. Mr. Speaker, I hope in the gentleman's vigilant way, he will keep Treasury's feet to the fire because I really do not think this coin in its present form is ready to replace George Washington and the \$1 bill. I fear we are trying to cram something down the people's throats in our usual way in the Federal Government, something they do not need, that they do not want and they cannot afford. The savings to be realized by this coin are predicated on replacing the \$1 bill and that was stated repeatedly in the subcommittee hearings by the Governor of the Federal Reserve Board.

Mr. STEED. Mr. Speaker, the only good thing I see about the Susan B. Anthony coin is that it costs less than 4 cents to make. However, it does not appear to be accepted by the people and it is in a great deal of trouble. I do not

know whether they can force people to turn to it, by cutting out dollar bills or not, but the Federal Reserve Banks will insist their customers get what they want and I do not think their customers will want to give up the dollar bill, either.

Mr. Speaker, there are a lot of things involved here besides the recommendation.

Mr. CONTE. I want to thank the gentleman from Delaware (Mr. EVANS) for bringing this matter to our attention. I want to associate myself with his remarks. Certainly the chairman and I have done much in the past in regards to printing our currency. I hope the Bureau of Engraving and Printing and the people in charge at Treasury read this record and do not make any move without some legislation going through allowing Congress to work its will on this issue. I am sure that the Congress in no way would want to substitute the Susan B. Anthony coin for the paper dollar.

Mr. MILLER of Ohio. Mr. Speaker, to continue on that particular subject for just a moment we had hearings on the Susan B. Anthony dollar and as the gentleman from Oklahoma (Mr. STEED) has stated, we would make money. As I recall the actual figures, it was about 3.3 cents' worth of metal in each of the Susan B. Anthony dollars and by the time the production costs were added it was still something less than 5 cents apiece, so we made 95 cents on each one. I do not know if it will be successful, but we conveyed the message to the Treasury Department that psychologically, at least, it did not look like it was an advisable thing to do.

Mr. Speaker, the Treasury Department has made 500 million of them. If private industry did such a thing it would go bankrupt, but the Federal Government can make a mistake and come up smelling like a rose. It is possible to put 100 million of these in circulation and the people will hoard them, so we make money. It will be over the cost of production. We could even remove the coins and melt them down and make them a different size and the Federal Treasury would make money. I still try to circulate \$2 bills because it would save the taxpayers' money. I also try to circulate the Susan B. Anthony dollar but I will tell you what I have to do. So I will not mix them with quarters and give them out for quarters, I have to keep them in a separate coat pocket. That might be of interest to others. I would hate to give them out for quarters and find out I have lost 75 cents on each transaction.

Mr. Speaker, I am not sure how this will all work out but in the long run I would hope that at least the Treasury will make money, and I feel they will, by the people hoarding the Susan B. Anthony dollar.

Mr. EVANS of Delaware. I would say to the gentleman if people do hoard them and keep them as souvenirs, there is a limit to hoarding. If a number of 600 million or so have already been struck I do not think, until there is some reasonable chance of acceptance by the American people or a glimmer of hope, just a ray of hope, that they will be accepted, that we should continue to mint them

until we find they are being accepted by the American people.

□ 1510

Mr. MILLER of Ohio. That is correct, and that is the message that has been conveyed by the Treasury Department.

Mr. STEED. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.
The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 8: Page 5, line 2, strike "\$446,857,000" and insert "\$447,457,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 8 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 9: Page 5, line 7, insert "and of which \$3,300,000 shall be available for the Antidumping and Countervailing Duty Program: *Provided*".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 9 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "and of which at least \$5,300,000 shall be available for the Antidumping and Countervailing Duty Program".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 5, line 16, strike "\$50,580,000" and insert "\$53,347,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "\$59,047,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 8, line 10, strike out "for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act" and insert "": *Provided*,".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: "for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 11, line 14, strike out "Provided, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 701 of title 31 of the United States Code."

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following: "": *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 701 of title 31 of the United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 32: Page 15, line 12, insert "": *Provided*, That there shall be transferred from the Department of Defense to the Office of Federal Procurement Policy the functions performed by the Federal Acquisition Institute, including personnel".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: Page 17, line 3, insert:

FEDERAL ELECTION COMMISSION SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1976, \$8,646,000, of which \$750,000 shall be available only for activities, including contract support, of the National Clearinghouse of the Federal Election Commission.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein

with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

"FEDERAL ELECTION COMMISSION SALARIES AND EXPENSES

"For expenses necessary to carry out the provisions of the Federal Election Campaign Act Amendments of 1976, \$8,646,000, of which \$400,000 shall be available only for activities, including contract support, of the National Clearinghouse of the Federal Election Commission."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 34: Page 18, line 10, strike out "\$1,423,622,000" and insert "\$1,421,985,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment as follows: In lieu of the sum named in said amendment, insert the following: "\$1,427,268,000".

The motion was agreed to.

The SPEAKER pro tempore. The clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 35: Page 18, line 11, strike out "\$18,787,000" and insert "\$29,280,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "\$36,380,000".

The motion was agreed to.

The SPEAKER pro tempore. The clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 40: Page 19, line 11, insert "": *Provided further*, That all appropriations for direct construction projects shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date;".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "": *Provided further*, That all funds for direct construction projects shall expire on September 30, 1981, except funds for projects as to which funds have been obligated in whole or in part prior to such date".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 42: Page 19, line 18, insert "": *Provided*, That appropriations

made to the Federal Buildings Fund for Alterations and Major Repairs shall, for prospectus projects be limited to the amount by project shown in the budget justification therefor, except each project may be increased by an amount not to exceed 10 per centum to the extent that savings are effected in other such projects but by not to exceed 10 per centum for each project".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 42 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "Provided, That funds in the Federal Buildings Fund for Alterations and Major Repairs shall, for prospectus projects, be limited to the amount by project shown in the budget justification therefor, except each project may be increased by an amount not to exceed 10 per centum".

The motion was agreed to.

□ 1520

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 43: Page 19, line 25, insert "Provided further, That all appropriations for alterations and major repair prospectus projects, shall expire on September 30, 1981, except appropriations for projects as to which funds have been obligated in whole or in part prior to such date".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "Provided further, That all funds for alterations and major repair prospectus projects shall expire on September 30, 1981, except funds for projects as to which funds have been obligated in whole or in part prior to such date".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 45: Page 21, line 15, strike out "\$1,423,622,000" and insert "\$1,421,985,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "\$1,427,268,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 46: Page 21, line 17, insert "Provided further, That for additional expenses necessary to reimburse the fund established pursuant to Section 210 of the Federal Property and Administrative Services Act of 1949, as amended, for ex-

penditures made under 210(j) of said Act, \$115,000 to be deposited to said fund".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 53: Page 25, line 23, strike out "\$18,988,000" and insert "\$104,758,000".

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert the following: "\$6,875,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 55: Page 26, line 5, insert:

OFFICE OF INSPECTOR GENERAL

For the necessary expenses of the Office of Inspector General, \$18,874,000: *Provided*, That not to exceed \$10,000 shall be available for payment of information and detection of fraud against the government, including payment for stolen government property.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 55 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"OFFICE OF INSPECTOR GENERAL

"For necessary expenses of the Office of Inspector General, \$18,874,000: *Provided*, That not to exceed \$10,000 shall be available for payment for information and detection of fraud against the government, including payment for recovery of stolen government property."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 67: Page 43, line 9, insert:

Sec. 613. (a) No part of any of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act, may be used to pay the salary or pay of any individual in any office or position in an amount which exceeds the rate of salary or basic pay payable for such office or position on September 30, 1979, by more than the overall average percentage increase in the General Schedule rates of basic pay, as a result of any adjustments which take effect during such fiscal year (1) under section 5343 of title 5, United States Code, if such adjustment is granted pursuant to a wage survey (but only with respect to prevailing

rate employees described in section 5342(a) (A) of that title); or (2) any negotiated agreement pertaining to Government prevailing rate employees to whom section 9(b) of Public Law 92-392 applies.

(b) The limitations on the availability of funds imposed by this section shall not restrict the payment of any rate of basic pay which does not exceed \$4.22 per hour, if such rate of basic pay would be payable were it not for this section.

(c) For the purpose of administering any provision of law, rule, or regulation which provides premium pay, retirement, life insurance, or any other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

Mr. STEED (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

Sec. 613. (a) No part of any of the funds appropriated for the fiscal year ending September 30, 1980, by this Act or any other Act, may be used to pay the salary or pay of any individual in any office or position in an amount which exceeds the rate of salary or basic pay payable for such office or position on September 30, 1979, by more than the overall average percentage increase in the General Schedule rates of basic pay, as a result of any adjustments which take effect during such fiscal year under section 5343 of title 5, United States Code, if such adjustment is granted pursuant to a wage survey (but only with respect to prevailing rate employees described in section 5342(a) (A) of that title).

(b) The limitations on the availability of funds imposed by this section shall not restrict the payment of any rate of basic pay which does not exceed \$4.22 per hour, if such rate of basic pay would be payable were it not for this section.

(c) For the purpose of administering any provision of law, rule, or regulation which provides premium pay, retirement, life insurance, or any other employee benefit, which requires any deduction or contribution, or which imposes any requirement or limitation, on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

Mr. STEED (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the final amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 70: Page 45, line 4, insert:

Sec. 616. It is the sense of the Congress that, upon the sale of the estate known as Casa Pacifica located in San Clemente, California, former President Richard M. Nixon should reimburse the United States for the original cost of any construction, renovation, improvements, equipment or articles paid for by the Federal Government of the United States, or for the amount by which they have increased the fair market value of the property, as determined by the Comptroller General of the United States, as of the date of sale, whichever is less.

MOTION OFFERED BY MR. STEED

Mr. STEED. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STEED moves that the House recede from its disagreement to the amendment of the Senate numbered 70 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE

Mr. STEED. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and include tabulations and extraneous material, and that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just under consideration and agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONFERENCE REPORT ON H.R. 3996, AMTRAK REORGANIZATION ACT OF 1979

Mr. STAGGERS submitted the following conference report and statement on the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 96-481)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—AMTRAK REORGANIZATION SHORT TITLE

SECTION 101. This title may be cited as the "Amtrak Reorganization Act of 1979".

PURPOSES

SEC. 102. Section 101 of the Rail Passenger Service

(1) by inserting "(a)" immediately before "The Congress";

(2) by striking out "and" after "this purpose";

(3) by striking out the period after "Railroad Passenger Corporation" and inserting in lieu thereof the following: "; and that rail passenger service offers significant benefits in public transportation for the safe movement of passengers with minimum energy expenditure and represents a significant national transportation asset in time of national emergency or energy shortage."; and

(4) by adding at the end thereof the following new subsection:

"(b) The Congress further finds that—

"(1) inadequately defined goals for the Corporation have denied its board of directors an effective role in guiding the Corporation or in promoting and increasing the number of intercity rail passengers;

"(2) uncertain goals and financial commitment have discouraged the development of effective corporate management;

"(3) uncertainty arising from the lack of specific goals has made the achievement of high employee morale difficult;

"(4) State participation in subsidizing interstate rail passenger service has, for the most part, been unworkable;

"(5) lack of full cooperation by the railroad industry has impeded effective system-wide operation of passenger trains by the Corporation; and

"(6) a greater degree of cooperation is necessary among railroads, the Corporation, States with subsidized service, labor organizations, and suppliers of services and equipment to the Corporation in order to achieve a level of performance sufficient to justify additional expenditure of public funds."

GOALS

SEC. 103. (a) GOALS FOR AMTRAK.—The Rail Passenger Service Act (45 U.S.C. 501 et seq.) is amended by redesignating section 102 as section 103 and by inserting after section 101 the following new section:

"SEC. 102. GOALS.

"The Congress hereby establishes the following goals for Amtrak:

"(1) Improvement of on-time performance by at least 50 percent within the three-year period beginning on the date of enactment of this section.

"(2) Implementation of schedules which provide a systemwide average speed of at least 55 miles per hour, and which can be adhered to with a degree of reliability and passenger comfort.

"(3) Improvement of the ratio of revenues to operating expenses, with the goal of coverage of at least 44 percent of operating expenses, excluding depreciation, from revenues by the end of fiscal year 1982 and 50 percent by the end of fiscal year 1985.

"(4) Improvement of the feasibility of State-subsidized service through the use of technical assistance panels to coordinate, plan, and implement such service.

"(5) Encouragement of rail carriers to assist in improving intercity rail passenger service.

"(6) General improvement of Amtrak's performance through comprehensive, systematic operational programs and employee incentives."

(b) TECHNICAL AMENDMENT.—The heading for title I of the Rail Passenger Service Act is amended by inserting "GOALS," after "PURPOSES."

DEFINITIONS

SEC. 104. Section 103 of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

"SEC. 103. DEFINITIONS.

"For the purposes of this Act—

"(1) 'Amtrak' means the National Railroad Passenger Corporation created under title III of this Act.

"(2) 'Auto-ferry service' means intercity rail passenger service characterized by transportation of automobiles or recreational vehicles and their occupants.

"(3) 'Avoidable loss' means the avoidable costs of providing passenger service, less revenues attributable thereto, as determined by the Interstate Commerce Commission under the provisions of section 553 of title 5, United States Code.

"(4) 'Basic system' means (A) prior to October 1, 1979, the system of intercity rail passenger service designated by the Secretary under title II and section 403(a) of this Act, and (B) on and after October 1, 1979, the system of intercity rail passenger service designated by the Secretary under section 4 of the Amtrak Improvement Act of 1978 (Public Law 95-421) and approved by the Congress, and service required to be operated under sections 404(d) and 404(e) of this Act and under section 4(g) of the Amtrak Improvement Act of 1978, including changes to such system or service made by the Corporation using the Route and Service Criteria.

"(5) 'Center' means the Performance Evaluation Center established under section 305 of this Act.

"(6) 'Commission' means the Interstate Commerce Commission.

"(7) 'Corporation' means the National Railroad Passenger Corporation created under title III of this Act.

"(8) 'Intercity rail passenger service' means all rail passenger service other than commuter and other short-haul service in metropolitan and suburban areas, usually characterized by reduced fare, multiple-ride and commutation tickets, and by morning and evening peak period operations.

"(9) 'Model Program' means a program carried out by the Corporation under section 807 or section 809 of this Act and the employee assistance program established by the Corporation.

"(10) 'Panel' means a Technical Assistance Panel established under section 403(b) of this Act.

"(11) 'Rail carrier' and 'railroad' mean a person providing railroad transportation for compensation.

"(12) 'Regional transportation agency' means an authority, corporation, or other entity established for the purpose of providing passenger service within a region.

"(13) 'Route and Service Criteria' means the Criteria and Procedures for Making Route and Service Decisions established pursuant to section 404(c) of this Act.

"(14) 'Secretary' means the Secretary of Transportation or his delegate unless the context indicates otherwise."

REDUCED FARE PROGRAM

SEC. 105. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) (A) Within 90 days after the date of enactment of this paragraph, the Corporation shall establish a reduced fare program for elderly and handicapped individuals.

"(B) For purposes of this paragraph—

"(1) the term 'elderly individual' means a person who has attained the age of 65 years; and

"(2) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but the term handicapped individual does not include any person who is an alcoholic or drug abuser."

OPERATIONAL IMPROVEMENT PROGRAM

SEC. 106. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545) is amended by redesignating subsections (f) through (j) as subsections (g) through (k), respectively, and by inserting after subsection (e) the following new subsection:

"(f) The Corporation shall, not later than January 1, 1981, develop and submit to the Congress and to the President a comprehensive plan for the improvement of all intercity rail passenger service provided in the basic system. The Corporation shall commence implementation of such plan as soon as practicable after all or any portion thereof is developed. Such plan shall include—

"(1) a zero-based assessment of all operating practices and implementation of changes to achieve the minimum use of employees consistent with safe operations and adequate service;

"(2) a systematic program for optimizing the ratio of train size to passenger demand;

"(3) a systematic program for trip time reduction on all trains in the basic system;

"(4) establishment of training programs to achieve on-time departures and priorities for passenger trains over freight trains en route;

"(5) adjustment of purchasing and pricing of food and beverages to achieve, as soon as practical after the date of enactment of this subsection, a continuing reduction in losses associated with food and beverage services with a goal of ultimate profitability;

"(6) cooperative marketing opportunities between the Corporation and governmental entities at all levels having intercity rail passenger service; and

"(7) cooperative marketing campaigns sponsored by the Corporation and the Department of Energy, the Federal Highway Administration, and the Environmental Protection Agency."

REGIONAL MAINTENANCE PLAN

SEC. 107. Section 305(g) of the Rail Passenger Service Act, as redesignated by this Act, is amended to read as follows:

"(g) The Corporation shall, not later than January 1, 1980, establish a Regional Maintenance Plan. Such plan shall include—

"(1) a review panel at corporate headquarters consisting of such members as the President of the Corporation shall designate;

"(2) a systemwide inventory of spare equipment parts by operational regions;

"(3) establishment of the necessary number of maintenance employees per number of cars and locomotives per region;

"(4) establishment of a systematic preventive maintenance program;

"(5) a method for periodic evaluation of maintenance costs, time lags, and parts shortages with appropriate corrective actions; and

"(6) such other elements or activities as the Corporation considers appropriate."

RAILROAD POLICE

SEC. 108. Section 305(j) of the Rail Passenger Service Act, as redesignated by this Act, is amended by striking out "security guards" each place it appears and inserting in lieu thereof "railroad police" and by striking out "Security guards" and inserting in lieu thereof "Railroad police".

BUY AMERICA PROTECTION

SEC. 109. Sec. 305(k) of the Rail Passenger Service Act, as redesignated by this Act, is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3) In addition to the exemptive authority set forth in paragraph (2), the Secretary may, upon application of the Corporation, exempt the Corporation from the requirements of paragraph (1) of this subsection with respect to the purchase of rolling stock or power train equipment if the Secretary determines that such rolling stock or power train equipment, as the case may be, cannot be purchased and delivered in the United States within a reasonable time."

PERFORMANCE EVALUATION CENTER

SEC. 110. Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by

this Act, is further amended by adding at the end thereof the following new subsection:

"(1) The Corporation shall establish a Performance Evaluation Center within the Corporation which shall have the responsibility of providing an ongoing review of operations. The Center should evaluate both short-term and long-term operational problems and make recommendations for improvement of operations. Each six months, the Corporation shall submit a report of the Center's activities and recommendations to the appropriate authorizing committees of both Houses of Congress and to the Secretary."

ADEQUACY OF SERVICE REPORTS

SEC. 111. (a) REPORTS.—Section 305 of the Rail Passenger Service Act (45 U.S.C. 545), as amended by this Act, is further amended by adding at the end thereof the following new subsection:

"(m) For purposes of assessing the operational performance of trains, the President of the Corporation shall have the authority to direct the conductor on any Amtrak train to report to the Center any inadequacy of train operation. Adequacy of service reports required under this subsection shall be promptly transmitted to the Center. Each report shall be signed by the conductor and contain sufficient information to locate equipment or personnel failures."

(b) REPEAL.—Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is hereby repealed.

APPLICABILITY OF OTHER LAWS

SEC. 112. (a) EXCEPTIONS TO APPLICABILITY.—Section 306(a) of the Rail Passenger Service Act (45 U.S.C. 546(a)) is amended by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and" and by adding at the end thereof the following new paragraph:

"(4) the issuance of securities or the assumption of any obligation or liability with respect to the securities of others."

(b) THROUGH ROUTES AND JOINT FARES.—Section 306(j)(2) of the Rail Passenger Service Act (45 U.S.C. 546(j)(2)) is amended by striking out "motor carrier" and inserting in lieu thereof "any domestic or international motor, air, or water carrier".

(c) PAY PERIODS AND QUALIFICATIONS.—Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is further amended by adding at the end thereof the following new subsections:

"(1) The Corporation shall not be subject to any State or local law relating to pay periods or days for payment of employees. No employee of the Corporation shall be paid less frequently than such employee is paid as of the effective date of this subsection, other than pursuant to an applicable collective bargaining agreement.

"(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection with the performance of such activities, the Corporation shall accept service of process addressed by certified mail to the secretary of the Corporation at its principal office and place of business in Washington, District of Columbia. The Corporation shall be deemed to be a citizen of the District of Columbia for the purpose of determining the original jurisdiction of the district courts of the United States in civil actions to which the Corporation is a party."

REPORTS TO THE CONGRESS

SEC. 113. Section 308(a)(1) of the Rail Passenger Service Act of 1970 is amended to read as follows:

"(a)(1) Not later than the 45th day following the end of each calendar month, the Corporation shall transmit to the Congress and release to the public the following information applicable to its operations for such calendar month:"

UNIFORM CONTRACT

SEC. 114. Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended by adding at the end thereof the following new subsection:

"(g) The Corporation shall enter into a contract with rail carriers on an industry-wide basis to establish rights for the operation of special or charter trains between specific routes and points anywhere in the Nation upon provision of reasonable notice (of not less than seven days) to the carriers involved in the operation of any special or charter trains, except that with respect to rail lines on which rail passenger service has not been operated for the preceding 180 days, reasonable notice under this sentence shall be notice of not less than 21 days. If the Corporation and the rail carriers are unable to reach agreement by January 1, 1981, the Commission shall, upon application by the Corporation, order rail services to be provided under this subsection and shall, consistent with just and reasonable compensation principles, determine within 180 days after such date the proper amount of compensation for the provision of such services and the proper method of prior notification of the schedule and routing of a special or charter train by the Corporation."

NEW SERVICE

SEC. 115. ROUTE ADDITIONS.—Section 403(a) of the Rail Passenger Service Act (45 U.S.C. 563(a)) is amended to read as follows:

"(a) Except as otherwise provided in this Act, after October 1, 1979, all route additions shall be in accordance with the Route and Service Criteria."

(b) SUBSIDIZED SERVICE.—Section 403(b) of the Rail Passenger Service Act (45 U.S.C. 563(b)) is amended to read as follows:

"(b)(1)(A) Any State or group of States, or any regional or local agency, may submit an application to the Corporation requesting the institution of rail passenger service in addition to that service provided in the basic system.

"(B) An application for rail passenger service under this subsection shall be submitted at least 180 days prior to the beginning of the fiscal year in which such service is to be operated, except that an application for service to be operated in the fiscal year ending September 30, 1980, shall be submitted no later than the 60th day following the beginning of such fiscal year.

"(C) Each application by a State or agency for rail passenger service under this subsection shall contain—

"(i) adequate assurances by such State or agency that it has sufficient resources to meet its share of the cost of such service for the period such service is to be provided;

"(ii) a market analysis acceptable to the Corporation to ensure that there is adequate demand to warrant such service;

"(iii) a statement by such State or agency that it agrees to provide 20 percent of the solely related costs of such service in the first year of operation, 35 percent of such costs in the second year of operation, and 50 percent of such costs in each year of operation thereafter; and

"(iv) a statement by such State or agency that it agrees to provide, in each year of operation of such service, 50 percent of the associated capital costs of operating such service.

"(2)(A) The Corporation shall review each application submitted by a State or agency for the institution of service under this subsection and shall convene a Technical Assistance Panel to consider such application if the Corporation determines that—

"(i) the application complies with requirements of paragraph (1)(C) of this subsection; and

"(ii) there is a reasonable probability that the service requested can be provided with the resources available to the Corporation.

"(B) The Corporation shall make its de-

termination under this paragraph, and convene a panel if appropriate, at least 150 days prior to the beginning of the fiscal year in which the service requested is to be operated, except that with respect to an application for service to be operated in the fiscal year ending September 30, 1980, the Corporation shall make its determinations, and convene a panel if appropriate, no later than 30 days after the date such application is submitted.

"(C) Any application submitted by a group of States shall be considered in the same manner as an application submitted by a single State, and not on the basis of whether each State that is a party to such application meets the requirements of paragraph (1)(C) of this subsection.

"(3)(A) Each panel convened by the Corporation to consider an application shall be composed of—

"(i) a State rail planning official from each State that is a party to the application;

"(ii) a representative of the Corporation;

"(iii) a representative from a railroad labor organization representing operating crafts of employees; and

"(iv) a representative from a railroad labor organization representing nonoperating crafts of employees.

"(B) The Corporation shall submit to each panel data projecting the solely related costs and associated capital costs of operating the service under consideration. Each panel shall, no later than 90 days after the date it is convened, consider and make recommendations to the Corporation with respect to—

"(i) appropriate measures for minimizing such costs, including measures such as—

"(I) the assumption by the applicant State or agency of certain responsibilities in connection with the operation of the service under consideration; and

"(II) a reduction in the labor costs of operating such service; and

"(ii) if more than one State is a party to the application, the appropriate manner for allocating such costs among the applicant States.

"(4)(A) After taking into account the recommendations of the panel with respect to rail passenger service requested by a State or agency under this subsection, the Corporation shall enter into an agreement with such State or agency for the institution of such service, in accordance with the funding formula set forth in paragraph (1)(C) of this subsection, if the Corporation determines that such service can be provided with resources available to the Corporation.

"(B) An agreement entered into pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years.

"(C) If more than one application is made for service and all applications are consistent with the requirements of this subsection, but all the services applied for cannot be provided with the available resources of the Corporation, the Board of Directors shall decide in its discretion which application or applications best serve the public interest and can be provided with the available resources of the Corporation, except that a proposal for State support of a service deleted from the basic system in effect prior to October 1, 1979, or the basic system in effect after such date, shall be given preference.

"(5) Prior to instituting any fare increase that applies to service provided under this subsection and that represents an increase of more than 5 percent over a 6-month period, the Corporation shall consult with and obtain the views of the appropriate officials of each State to be affected by such fare increase. The Corporation shall provide the officials of each such State with an explanation of the circumstances warranting the proposed fare increase (such as the

unique costs of or demand for the services involved).

"(6)(A) Federal funds available for expenditure under this subsection shall not be in substitution for the average amount of State and local funds expended for the operation of rail services under this subsection in the State for the two fiscal years preceding the fiscal year for which the funds are made available.

"(B) If service provided under this subsection on the date of enactment of the Amtrak Reorganization Act of 1979 is terminated by a State or agency and such State or agency subsequently decides to resume such service, the Corporation shall agree to provide funding at the level provided under the contract in effect on such date of enactment.

"(C) A State may add additional frequencies of service on an existing route. Additional frequencies shall be initiated in accordance with the funding formula described in paragraph (1)(C) of this subsection, without regard to funding ratios then in effect on other frequencies on such existing route.

"(7)(A) Any funds provided by the Corporation under an agreement with an agency pursuant to this subsection which are allocated for associated capital costs and which are not expended during the fiscal year for which they are provided shall remain available until expended.

"(B) An agency entering into an agreement with the Corporation for the operation of service under this subsection shall be entitled to reimbursement for staff services in an amount equal to 1½ percent of the operating losses and associated capital costs.

"(C) The board of directors shall establish the basis for determining the solely related costs and associated capital costs of service operated under this subsection, and the total revenue from such service.

"(8) Not more than five percent of all revenues generated by each particular route operated under the authority of this subsection shall be dedicated to advertising and promotion of such service on a local level."

(c) REPEAL.—Section 403(c) of the Rail Passenger Service Act (45 U.S.C. 563(c)) is repealed.

(d) COMMUTER SERVICE.—Section 403(d) of the Rail Passenger Service Act (45 U.S.C. 563(d)) is amended—

(1) by inserting "(1)" immediately before "The Corporation";

(2) by inserting immediately after the first sentence thereof the following: "An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than two years."; and

(3) by adding at the end thereof the following new paragraphs:

"(2) Any rail passenger service which is operated by the Corporation on January 1, 1979, and which constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, continue to be operated by the Corporation and funded in accordance with the method of funding in effect for that service on January 1, 1979. In addition, any rail passenger service which (A) is operated by the Consolidated Rail Corporation, (B) is the subject of an application for discontinuance filed with the Commission before July 15, 1979, and (C) constitutes commuter rail passenger service as defined in paragraph (1) of this subsection shall, until April 1, 1981, be operated by the Corporation and funded by the Corporation in the same manner as service operated under the preceding sentence.

"(3) The Corporation shall, until April 1, 1981, continue to accept commuter based fares for any rail passenger service which it operates and for which such fares are accepted on January 1, 1979. Nothing in this paragraph shall be construed as prohibiting

the Corporation or any other railroad from increasing the amount of any fare charged for rail passenger service."

SERVICE CHANGES

SEC. 116. (a) SERVICE CHANGES.—Section 404(b) of the Rail Passenger Service Act (45 U.S.C. 564(b)) is amended to read as follows:

"(b) After October 1, 1979, all route discontinuances by the Corporation shall be in accordance with the Route and Service Criteria."

(b) TECHNICAL AMENDMENT.—Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by striking out

"SEC. 404. DISCONTINUANCE OF SERVICES."

and inserting in lieu thereof

"SEC. 404. SERVICE CHANGES."

APPLICATION OF ROUTE AND SERVICE CRITERIA

SEC. 117. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) The Corporation shall conduct an annual review of each long-distance route in the basic system to determine if such route meets the criteria set forth in paragraph (1) of subsection (d) of this section, as adjusted to reflect constant 1979 dollars. If the Corporation determines, on the basis of such review, that a route fails to meet the criteria set forth in such paragraph, the Corporation shall evaluate such route under the Route and Service Criteria. If the Corporation determines, on the basis of such evaluation, that such route fails to meet the Route and Service Criteria, the Corporation shall discontinue the operation of rail passenger service over such route.

"(B) The annual review conducted by the Corporation under subparagraph (A) shall include an evaluation of the potential market demand for, and the cost of providing service on, portions or segments of long-distance routes, and the potential market demand for, and cost of providing service on, alternative routings. The Corporation shall transmit the results of the annual review to each House of the Congress and to the Secretary of Transportation."

EXCEPTIONS TO APPLICABILITY OF ROUTE AND SERVICE CRITERIA

SEC. 118. Section 404(c) of the Rail Passenger Service Act (45 U.S.C. 564(c)), as amended by this Act, is further amended by adding at the end thereof the following new paragraph:

"(5) The Route and Service Criteria shall not apply to—

"(A) decisions of the Corporation to increase or, where construction schedules, other temporary disruptive factors, or seasonal fluctuations in ridership so warrant, to decrease frequency of service on existing routes or portions of existing routes or on routes where an additional frequency of service is being tested; and

"(B) rerouting of service between major population centers on existing routes."

ADDITIONAL QUALIFYING ROUTES

SEC. 119. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended by adding at the end thereof the following new subsections:

"(d) (1) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any long distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978, with or without any restructuring of such route to serve major population centers as end points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(A) the short term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 7 cents per passenger mile; and

"(B) the passenger mile per train mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 150.

Short term avoidable loss per passenger mile calculated by the Corporation for purposes of this subsection shall be based upon consistently defined factors for all types of routes, and such short term avoidable loss and passenger mile per train mile shall be calculated in the same manner for all routes. The Corporation shall make its calculations under this subsection on the basis of the most recent available statistics for a 90-day period, except that the Corporation may also utilize historical data (such as seasonal fluctuations in ridership) as long as such data is adjusted to reflect the most recent available statistics. The Corporation shall, no later than 30 days after the effective date of this subsection, submit a report to the Interstate and Foreign Commerce Committee of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the methodology, equations, factors used, assumptions, and results in connection with the calculation of short term avoidable loss per passenger mile and passenger mile per train mile under this subsection.

"(2) Where reductions in operating expenses can be obtained, the Corporation shall operate rail passenger service over any short-distance route which is recommended for discontinuance by the Secretary pursuant to section 4 of the Amtrak Improvement Act of 1978 with or without any restructuring of such route to serve major population centers as end-points or principal intermediate points, in order to maintain a national intercity rail passenger system, if—

"(A) the short-term avoidable loss per passenger mile on such route, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not more than 9 cents per passenger mile; and

"(B) the passenger mile per train mile, as calculated by the Corporation and projected for the fiscal year ending September 30, 1980, is not less than 80.

"(e) (1) In order to preserve regional balance in the national intercity rail passenger system and to ensure that long-distance routes recommended for discontinuance by the Secretary pursuant to section 4, of the Amtrak Improvement Act of 1978 which provide service to regions with few population centers in a large geographic area have equal opportunity to qualify for continued operation, the Corporation shall operate a long-distance route in each section of the United States (with sections being determined by dividing the United States into four quadrants) if—

"(A) service is not maintained on any long-distance route in that section under the criteria set forth in subsection (d) (1) of this section; and

"(B) the Corporation determines that (1) a long-distance route exists in that section which has shown and will show improvements in performance under the criteria, set forth in subsection (d) (1) of this section, and (ii) such route shows potential, under such criteria, to warrant maintenance in the system.

"(2) The Corporation shall not continue to operate any route under this subsection if service is provided on a significant part of that route by any other route.

"(3) Service operated on a route under this subsection shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in subsection (d) (1) of this section: *Provided*, That the Corporation shall continue to operate the Inter-American train to the Mexican border if that train meets the criteria set forth above.

"(f) For the purpose of this section and section 4 of the Amtrak Improvement Act of 1978, the reference to Tampa in table 4-1 at page 4-7 of the Secretary's Final Report to Congress on the Amtrak Route System, dated January 1979, shall be deemed to mean Saint Petersburg.

"(g) Notwithstanding any other provisions of this Act (including the requirements of section 403(d)), the Corporation is authorized, to the extent available resources permit, to operate short-haul trains, on a demonstration basis for the purpose of determining the feasibility and benefits of such services, on additional routes of 200 miles or less which link two or more major metropolitan areas."

FREE OR REDUCED RATE TRANSPORTATION OF RAILROAD EMPLOYEES

SEC. 120. (a) REIMBURSEMENT RATE.—Section 405(f) of the Rail Passenger Service Act (45 U.S.C. 565(f)) is amended by striking out "The Corporation shall be reimbursed" and all that follows through "in accordance with the agreements," and inserting in lieu thereof the following: "Unless the Corporation and a railroad or group of railroads agree on a different basis for compensation, the Corporation shall, during the 2-year period beginning on the effective date of the Amtrak Reorganization Act of 1979, be reimbursed by each railroad at the rate of 25 percent of the systemwide average monthly yield per revenue passenger mile. Reimbursement at this rate is in lieu of any charges for liability incident to travel of railroad employees eligible for free or reduced-rate transportation and any other costs incurred by the Corporation in connection with free or reduced-rate transportation. Nothing in this subsection shall preclude the Commission from ordering retroactive relief in any proceeding instituted or reopened after October 1, 1981."

(b) REPORT.—The Comptroller General shall conduct a study of the free or reduced-rate transportation provided to railroad employees by the National Railroad Passenger Corporation under section 405(f) of the Rail Passenger Service Act. Within 180 days after the effective date of this Act, the Comptroller General shall submit a report to the Congress and to the Interstate Commerce Commission setting forth recommendations regarding the appropriate means for reimbursing the Corporation for the cost of providing such transportation services, taking into account the value of the services being provided.

RETENTION AND MAINTENANCE OF FACILITIES

SEC. 121. Title IV of the Rail Passenger Service Act (45 U.S.C. 561 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 406. RETENTION AND MAINTENANCE OF FACILITIES.

"(a) No facilities of a railroad (including a regional transportation agency) which are used in the operation of rail passenger services by the Corporation on February 1, 1979, shall be downgraded or disposed of without obtaining the prior approval of the Secretary under this section.

"(b) Whenever any railroad intends to downgrade or dispose of a facility referred to in subsection (a) of this section which is not currently being used in the operation of services by the Corporation, such railroad shall first notify the Corporation of its intention to take such action. If, within 60 days after receipt by the Corporation of such notice, the Corporation and such railroad are not able to enter into an agreement for the retention or maintenance of such facility or for the

conveyance to the Corporation of such facility or an interest therein, the railroad may apply to the Secretary for approval of the downgrading or disposal of the facility.

"(c) (1) If the Corporation does not object to an application of a railroad to downgrade or dispose of a facility within 30 days after the date such application is submitted, the Secretary shall promptly approve such application.

"(2) If the Corporation makes a timely objection to such an application, the Secretary shall, within 180 days after the date of such objection, determine the costs which the railroad could avoid if it were not required to maintain or retain the facility in the condition requested by the Corporation. If the Corporation does not, within 60 days after the date of the Secretary's determination, agree to pay such avoidable costs to the railroad, the Secretary shall approve such application.

"(d) (1) In electing whether to enter into an agreement pursuant to this section to pay a railroad the avoidable costs of maintaining or retaining a facility, the Corporation shall consider—

"(A) the potential importance of restoring rail passenger service on the route on which such facility is located;

"(B) the market potential of such route;

"(C) the availability, adequacy, and energy efficiency of alternate modes or alternate rail lines for providing passenger transportation to or near the points which would be served by the route;

"(D) the extent to which major population centers would be served by such route;

"(E) the extent to which the provision of service over such route would encourage the expansion of a national intercity rail passenger system; and

"(F) the possibility of increased ridership on lines of railroad connecting with such route.

"(2) (A) In order to prepare for a valid and timely analysis of a facility, after a railroad gives notice pursuant to this section that it intends to downgrade or dispose of such facility, the Corporation shall conduct a survey of population centers with railroad passenger service facilities and shall update such survey from time to time as may be necessary or appropriate. Within 90 days after the date of enactment of this section, the Corporation shall take steps to prepare a survey plan which shall provide for—

"(i) a target completion date for the survey of population centers of not later than 360 days after the ninetieth day after such date of enactment; and

"(ii) a system of collection, compilation, and storage of information gathered pursuant to the survey according to geographic region and according to whether a facility would be a part of a short- or long-haul route.

"(B) The survey should facilitate an analysis of—

"(i) ridership potential by ascertaining existing travel patterns or changing travel patterns which would maximize efficiencies of railroad passenger service;

"(ii) the quality of service of competitors or likely competitors;

"(iii) the likelihood of the Corporation offering service at a competitive fare;

"(iv) opportunities to target advertising and fares to potential classes of riders;

"(v) economic characteristics of railroad passenger service associated with a facility and the extent to which such characteristics are consistent with sound economic principles of short- or long-haul railroad operations; and

"(vi) the feasibility of applying effective internal cost controls to a facility and the route which the facility would serve in order to improve over time the ratio of transportation expenses, excluding maintenance of

track, structure, and equipment and depreciation, to passenger revenue.

"(e) For purposes of this section—

"(1) the term 'facilities' means railroad tracks, rights-of-way, fixed equipment and facilities, and real property appurtenant thereto, and includes signal systems, passenger station and repair tracks, station buildings, platforms, and adjunct facilities such as water, fuel, steam, electric, and air lines;

"(2) the downgrading of a facility means a reduction in track classification as specified in the Federal Railroad Administration track safety standards (49 C.F.R. 213), or any other change in such facilities which may increase the time required for a passenger train to operate over the route on which such facility is located; and

"(3) approval of downgrading or disposal under this section shall not be construed as relieving a railroad from compliance with its other common carrier or legal obligations with respect to a facility."

AUTHORIZATION OF APPROPRIATIONS

SEC. 122. (a) AUTHORIZATION.—Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended by adding at the end thereof the following new subsection:

"(b) (1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation—

"(A) for the payment of operating expenses, not to exceed \$630,900,000 for the fiscal year ending September 30, 1980, and not to exceed \$674,900,000 for the fiscal year ending September 30, 1981, of which not less than \$1,200,000 for the fiscal year ending September 30, 1980, and \$1,000,000 for the fiscal year ending September 30, 1981, shall be available for the cost of Model Programs;

"(B) for the payment of the costs of capital acquisition or improvements to the basic system, including the payment of expenses for the retention and maintenance of facilities under section 406 of this Act, not to exceed \$203,000,000 for the fiscal year ending September 30, 1980, not to exceed \$244,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$254,000,000 for the fiscal year ending September 30, 1982;

"(C) for the payment of operating and capital expenses of rail passenger service provided pursuant to section 403(b) of this Act, not to exceed \$23,800,000 for the fiscal year ending September 30, 1980, not to exceed \$29,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$30,000,000 for the fiscal year ending September 30, 1982;

"(D) for labor protection payments required pursuant to section 405 of this Act, not to exceed \$30,000,000 for the fiscal year ending September 30, 1980, not to exceed \$12,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$20,000,000 for fiscal year ending September 30, 1982; and any sums authorized by this subparagraph which remain available after such labor protection payments are made shall be made available to the Corporation for use in the payment of expenses and costs in accordance with subparagraphs (A) and (B) of this paragraph;

"(E) for the payment of the principal of obligations (other than leases) of the Corporation which are guaranteed by the Secretary pursuant to section 602 of this Act, not to exceed \$25,000,000 for the fiscal year ending September 30, 1980, not to exceed \$25,000,000 for the fiscal year ending September 30, 1981, and not to exceed \$25,000,000 for the fiscal year ending September 30, 1982.

"(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated, except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation.

Funds appropriated are authorized to remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation, and (B) guidelines established by the Secretary. Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more frequent payment before the expiration of any 90-day period.

"(2) Funds appropriated for capital grants pursuant to this subsection shall be paid to the Corporation in each fiscal quarter, and such grants may be used by the Corporation for temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of this Act."

(b) TECHNICAL AMENDMENTS.—(1) Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended—

(A) by striking out "(a) (1)" and inserting in lieu thereof "(a)"; and

(B) by striking out "(2) Funds appropriated for" and all that follows through "of this Act".

(2) Section 602(d) of the Rail Passenger Service Act (45 U.S.C. 602(d)) is amended by striking out "clause (3) of section 601 (a)" and inserting in lieu thereof "section 601(a) (3) or section 601(b) (1) (E)".

EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION

SEC. 123. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 808. EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION.

"(a) The Secretary shall, within 30 days after the date of enactment of this section, name a five-member Employee Compensation and Incentive Commission. The members of the Commission shall be selected on the basis of their knowledge of the railroad industry.

"(b) The Employee Compensation and Incentive Commission shall—

"(1) evaluate the salary paid officers of Amtrak in relation to Amtrak's ability to attract and maintain qualified officers; and

"(2) after consultation with the Corporation and railroad labor organizations, develop a program for improving Amtrak employee incentive and morale, including measures such as the institution of recognition and financial awards for outstanding employees.

"(c) The Employee Compensation and Incentive Commission shall, no later than March 1, 1980, submit recommendations to the board of directors of the Corporation with respect to the matters referred to in subsection (b) of this section. The board of directors shall, within 90 days after the date of submission, notify the Congress of (1) any action it plans to take to implement the Commission's recommendations, and (2) any proposals for additional legislation which the board considers necessary."

MODEL PROGRAMS

SEC. 124. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 809. MODEL PROGRAMS.

"Not later than October 1, 1979, the Corporation shall, in consultation with railroad labor organizations, develop and implement a Job Placement Program for employees who will be affected by the reduction in work force caused by the implementation of the Secretary's recommendations for the restructuring of routes. Such program shall emphasize the facilitation of reemployment of

employees dismissed or dislocated as a result of corporate restructuring. In carrying out its responsibilities under this section, the Corporation shall attempt to reduce labor protection costs and maximize utilization of the employment skills of affected employees. Such program may include job counseling, placement advertising, skills improvement courses, and such other activities as the Corporation considers appropriate to facilitate reemployment of affected employees within or outside the rail industry."

STATE TAXATION STUDY

SEC. 125. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"SEC. 810. STATE TAXATION STUDY.

"The Secretary shall conduct a study of the payment of taxes by the Corporation to State and local governments, including the payment of property taxes, sales taxes, gross revenue taxes, fuel taxes, licenses, and other user fees, and any other taxes paid by the Corporation to such governments, and shall make recommendations to the Congress no later than January 1, 1980, concerning the advisability of relieving the Corporation, either in whole or in part, of its obligation to make such payments. In conducting such study, the Secretary shall consider—

"(1) the requirement that the Corporation be operated and managed as a for-profit corporation;

"(2) the certainty that the Corporation will need substantial Federal subsidies for the foreseeable future;

"(3) the demand by States and localities for continued and increased federally funded rail passenger service;

"(4) the benefit to States and localities of rail passenger service directly funded by the Federal Government; and

"(5) the importance to the Nation of maintaining an efficient and reliable national rail transportation system."

REPORT ON REVENUES AND EXPENSES

SEC. 126. Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.), as amended by this Act, is further amended by adding at the end thereof the following new section:

"REVENUE REPORT

"SEC. 811. Within 60 days of the end of each fiscal year beginning with fiscal year 1981, the Corporation shall report to the Congress on the ratio of revenue to operating expenses on all routes in the basic system. As part of such report, the Corporation shall specifically identify those train routes which did not achieve a 50 percent revenue-to-expense ratio, and the Corporation shall include statements explaining the reasons which prevented such ratios from being achieved."

IMPLEMENTATION OF THE NEW ROUTE PLAN

SEC. 127. Section 4(g) of the Amtrak Improvement Act of 1978 (Public Law 95-421) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "Provided, however, That implementation of the Secretary's recommendations which require (1) operation over rail lines not used in intercity passenger service upon the date of approval thereof; (2) use of new facilities; or (3) new labor agreements, may be deferred by the Corporation until any necessary capital improvements in such lines or facilities, or required labor agreements, are made, to permit service that is equivalent or improved service and is consistent with the goals contained in subsection (a) of this section: And provided further, That, notwithstanding any other provision of law, pending deferred implementation of such recommendations, the Corporation shall provide substitute service over existing routes which are recommended for restructuring in

whole or in part and over other feasible existing routes, without reference to the Route and Service Criteria. Substitute service provided over an existing route under this paragraph shall continue to be operated after October 1, 1981, only if such route meets the criteria set forth in section 404(d) (1) of the Rail Passenger Service Act, as adjusted to reflect constant 1979 dollars; but expecting any short haul route concentrating on commuter ridership."

INTERMODAL TERMINAL PROGRAM

SEC. 128. The first sentence of section 4(1) (5) of the Department of Transportation Act (49 U.S.C. 1653(1) (5)) is amended by striking out "within two years following the approval of the application for Federal financial assistance under this subsection" and inserting in lieu thereof "within such time period as the Secretary establishes".

GAO STUDY OF DEBT LIMITATION

SEC. 129. Within 180 days after the effective date of this Act, the Comptroller General shall submit a report to the Congress recommending appropriate means for the National Railroad Passenger Corporation to eliminate the obligations of the Corporation that are guaranteed under section 602 of the Rail Passenger Service Act. In developing such recommendations, the Comptroller General shall consider (1) the feasibility of converting such obligations into stock issued by the Corporation, (2) the likelihood of obligation retirement from profits of the Corporation, (3) the ability of the Corporation to continue to carry its debt service within the context of operating subsidies, fairly and accurately reflecting current operating costs, and (4) the extent to which debt incurred by the Corporation prior to the effective date of this Act should be recognized as unrecoverable.

SERVICE ON PORTION OR SEGMENT OF DISCONTINUED ROUTES

SEC. 130. The National Railroad Passenger Corporation shall conduct an evaluation of the possibility of providing rail passenger service on a portion or segment of any route over which service is discontinued on or after October 1, 1979. Such evaluation shall include an examination of the potential market demand for rail passenger service over a portion or segment of any such discontinued route, and the cost of providing such service. The Corporation shall, no later than February 15, 1980, submit a report to both Houses of the Congress and to the Secretary of Transportation setting forth its findings under this section.

MAIL AND EXPRESS REVENUES

SEC. 131. The National Railroad Passenger Corporation shall, in conjunction with the United States Postal Service, determine those mail transportation requirements which can be met by the Corporation and shall develop and submit to the Congress, no later than April 30, 1980, a report setting forth recommendations designed to enable the Corporation to achieve maximum levels of mail carriage and revenues derived from such carriage. Such report shall include the following considerations:

- (1) the modification of existing facilities to handle mail and express more efficiently;
- (2) the acquisition of modern materials handling equipment and rolling stock;
- (3) optimum scheduling;
- (4) trains devoted exclusively to mail carriage;
- (5) staffing and promotional requirements; and
- (6) proposals for such legislative action as may be appropriate.

AMTRAK ROUTE ALLOCATION STUDY

SEC. 132. (a) COST ALLOCATION REPORT.—(1) Not later than April 30, 1980, the President of the National Railroad Passenger Corporation shall submit a report to the Congress

on the feasibility of establishing a system of uniform cost allocation for the Corporation which would include—

- (A) the avoidable cost by route;
- (B) the revenue (including mail and State subsidies, if any) by route;
- (C) the fully allocated cost by route;
- (D) the number of passengers carried by route;
- (E) the avoidable profit or loss by route;
- (F) the fully allocated profit or loss by route;
- (G) the profit or loss per passenger by route; and
- (H) the profit or loss by revenue passenger mile.

(2) For the purposes of this section, the term—

(A) "avoidable profit or loss" means the result of all revenue attributable to a route minus all reasonable and necessary expenses (including use of tracks and other facilities) which would be incurred by a carrier in providing a service which the carrier can establish that it would not incur if such service were not operated, and all other services were continued; such costs shall be restricted to costs solely related to the service and variable portion of common costs which would not be incurred but for the existence of the service; such costs shall exclude fixed common costs, allocation of any common costs which do not vary as a consequence of providing the service, return on investment, rent, and any other costs which the carrier cannot establish that it would not have reasonably and necessarily incurred but for the existence of the service;

(B) "fully allocated profit or loss" means the avoidable costs plus all other costs, other than unallocated costs, allocated to a route according to the Corporation's current accounting practices; and

(C) "unallocated costs" means those corporate interest, general, and administrative costs not assigned to particular routes.

(b) Profit and Loss Report.—(1) The Corporation shall prepare and submit to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and the Committee on Interstate and Foreign Commerce and the Committee on Appropriations of the House of Representatives not later than April 30, 1980, a report containing—

(A) a profit and loss table by route for the upcoming fiscal year, assuming a 50 percent Government reimbursement of the fully allocated losses experienced by each such route; and

(B) the average ticket subsidy required to show a systemwide public service profit (above and beyond such 50 percent Government reimbursement) for the upcoming fiscal year.

(2) Such reports shall be based on the best possible data available to the Corporation including, but not limited to, historical ridership trends, marketing studies, general economic conditions, ticket pricing policies, levels of services and equipment availability among other factors.

(3) For the purposes of this section, the term "public service profit" means the profit or loss experienced on each route after the Government subsidies (both operating and ticket) are added to such route's revenues.

TITLE II—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. Section 214(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 724(c)) is amended to read as follows:

"(c) ASSOCIATION.—For the fiscal year ending September 30, 1980, there are authorized to be appropriated to the Association for purposes of carrying out its administrative expenses under this Act such

sums as are necessary, not to exceed \$28,500,000. Sums appropriated under this subsection are authorized to remain available until expended."

REPORT ON SPECIAL COURT PROCEEDINGS

SEC. 202. Section 202(e) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712(e)) is amended by adding at the end thereof the following new paragraphs:

"(3) The Association shall transmit to the Congress, no later than 30 days after the end of each fiscal quarter, a report with respect to the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act. Each such report shall include—

"(A) a detailed accounting of the Federal funds expended during such quarter in connection with such proceedings, and the purposes for which such funds were expended;

"(B) an explanation of the status of such proceedings, including the prospects for settlement or conclusion; and

"(C) an identification of which responsibilities in connection with such proceedings are being carried out directly by the Association, and which are being carried out by contract with private organizations."

TRANSFER OF FUNCTIONS; MONITORING

SEC. 203. Section 202 of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 712) is amended by adding at the end thereof the following new subsections:

"(h) TRANSFER OF LITIGATION.—No later than March 1, 1980, the Association and the Attorney General of the United States shall develop and submit to the Congress a feasibility study for the transfer, to the appropriate department or agency of the Federal Government, of all responsibility for representing the United States in the proceedings before the special court to determine the valuation of rail properties conveyed to the Corporation under section 303 of this Act.

"(i) TRANSFER OF OTHER FUNCTIONS.—No later than March 1, 1980, the Association and the Secretary of Transportation shall develop and submit to the Congress a feasibility study for the transfer of all functions of the Association, other than those referred to in subsection (h) of this section, to the appropriate department or agency of the Federal Government, including the abolition of those functions which will no longer be necessary.

"(j) MONITORING OF CONTRACTORS.—The Board of Directors of the Association shall adopt procedures to insure (1) that contractors, including law firms, provide reports containing written verification of tasks assigned, work performed, time worked, and costs incurred, including periodic status reports on work performed, (2) that such reports are audited by the Association, (3) that no funds are paid to contractors without written reports complying with the requirements of this subsection, and (4) that the Association applies such procedures uniformly to all contractors."

INSURANCE COVERAGE

SEC. 204. (a) PAYMENT OF PREMIUMS AND BENEFITS.—Section 303(b) (6) (B) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 743(b) (6) (B)) is amended by striking out the first and second sentences and inserting in lieu thereof the following:

"(B) The Corporation shall, through the purchase of insurance or otherwise, maintain in effect any medical insurance coverage or so much of any life insurance coverage that does not exceed in death benefits an amount equal to twice the employee's annual salary at the time of retirement or \$60,000, whichever is lower, which coverage was maintained by a railroad in reorganization in the region immediately prior to April 1, 1976, and which provides insurance benefits to em-

employees who retired, prior to April 1, 1976, from service with such a railroad. With respect to any such employee whose medical or life insurance coverage lapsed after April 1, 1976, due to nonpayment of premiums, the Corporation shall—

"(i) through the purchase of insurance or otherwise, provide medical insurance benefits or life insurance benefits at the same level as were provided by the employer railroad in reorganization and in effect with respect to such employees immediately prior to April 1, 1976, except that the life insurance benefits so provided shall not exceed in death benefits an amount equal to twice the employee's annual salary at the time of retirement or \$60,000, whichever is lower; and

"(ii) assume and pay any claim for such employee (or his personal representative) for any such insurance benefits, if—

"(I) such claim arose during the period beginning April 1, 1976, and ending on the date insurance coverage is provided pursuant to clause (i) of this subparagraph;

"(II) such benefits were not paid by an insurer solely because of the lapse of the insurance coverage during such period, except that such benefits shall not be paid for any such employee in excess of an amount equal to twice the employee's annual salary at the time of retirement or \$60,000, whichever is lower."

(b) AMENDMENTS TO SECTION 211(h).—Section 211 (h) (a) (viii) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h) (1) (A) (viii)) is amended to read as follows: "(viii) amounts required to provide adequate funding for continuation, by the Corporation, of medical and life insurance coverage and benefits for retired employees of railroads in reorganization as required and limited by section 303(b) (6) (B) of this Act."

(2) Section 211(h) (6) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 741(h) (6)) is amended—

(A) by inserting "(A)" immediately before "Notwithstanding";

(B) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively; and

(C) by adding at the end thereof the following new paragraph:

"(B) The Association shall have a direct claim, as a current expense of administration of the estate of the railroad in reorganization whose obligations were paid with the proceeds of loans forgiven under this paragraph, equal to the amount by which the loans, plus interest, have been forgiven. Such direct claim shall not be subject to any reduction by way of setoff, cross-claim, or counterclaim which the estate of such railroad in reorganization may be entitled to assert against the Corporation, the National Railroad Passenger Corporation, the Association, or the United States. The direct claim of the Association under this paragraph shall be prior to all other administrative claims of the estate of the railroad in reorganization, except claims arising under trustee's certificates or from default on the payment of such certificates."

TITLE III—OFFICE OF RAIL PUBLIC COUNSEL

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. Section 10388 of title 49, United States Code, is amended to read as follows: "§ 10388. Authorization of appropriations

"There is authorized to be appropriated to the Office of Rail Public Counsel to carry out this subchapter not to exceed \$1,200,000 for the fiscal year ending September 30, 1980."

TITLE IV—AMENDMENTS TO THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976

EXTENSION OF FINANCIAL ASSISTANCE PROGRAM

SEC. 401. Sections 505(e), 507(a), 507(d), and 509 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 825(e), 827(a), 827(d), and 829) are amended by striking out "September 30, 1979" each place it appears and inserting in lieu thereof "September 30, 1980".

TITLE V—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 501. (a) Except as provided in subsection (b), the provisions of this Act shall take effect on October 1, 1979.

(b) The amendments made by section 204 of this Act shall be effective as of the date of enactment of Public Law 95-597.

And the Senate agree to the same.

HARLEY O. STAGGERS,
J. J. FLORIO,
JIM SANTINI,
BARBARA A. MIKULSKI,
JOHN M. MURPHY,
MARTY RUSSO,
EDWARD R. MADIGAN,
GARY A. LEE,

Managers on the Part of the House.

HOWARD W. CANNON,
RUSSELL B. LONG,
FRITZ HOLLINGS,
J. J. EXON,
BOB PACKWOOD,
HARRISON SCHMITT,
NANCY KASSEBAUM,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—AMTRAK REORGANIZATION

SHORT TITLE (SEC. 101)

Senate amendment

The Senate amendment provides that this legislation may be cited as the "Amtrak Improvement Act of 1979."

House bill

The House bill provides that this legislation may be cited as the "Amtrak Reorganization Act of 1979."

Conference substitute

The conference substitute is the same as the House bill.

PURPOSES (SEC. 102)

Senate amendment

No provision.

House bill

The House bill amended the Congressional Findings and Declaration of Purpose's section of the Rail Passenger Service Act. The House has found many inadequacies in operation of rail passenger service which needs to be addressed by Congress.

Conference substitute

The conference substitute is the same as the House bill.

GOALS (SEC. 103)

Senate amendment

No provision.

House bill

This section provides Amtrak management with clearly defined goals and provides the public with reasonable expectations from Amtrak.

Conference substitute

The conference substitute is the same as the House bill, except that the House provision of 60 miles per hour was changed to 55.

DEFINITIONS (SEC. 104)

House bill

Section 104 of the House bill amended the Rail Passenger Service Act by adding certain new definitions thereto and alphabetizing the definitions in the amended section.

Senate amendment

Section 2 of the Senate amendment amended the Rail Passenger Service Act by adding certain new definitions thereto.

Conference substitute

The conference substitute substantially follows the House bill. However, the definition of the term "Basic System" is clarified by the conference substitute. The revised definition clearly incorporates in the Basic System all of the changes in Amtrak's national system of service confirmed or affected by this legislation in order that Amtrak not be required to operate service under the administrative burden of a multi-tiered Basic System.

MAIL SERVICE

House bill

The House bill allows Amtrak to provide dedicated mail service.

Senate bill

No similar provision.

Conference substitute

House recedes.

REDUCED FARE PROGRAM (SEC. 105)

House bill

Section 106 of the House Bill gave Amtrak the discretionary authority to establish a reduced fare program for the elderly and handicapped. If Amtrak chose to establish the program, the fares were not to exceed 50% of the regular fare on a standby basis or 75% of the regular fare on a reservation basis.

Senate amendment

Section 21 of the Senate bill required Amtrak to establish a reduced fare program for elderly and handicapped individuals. Further, the amendment required that the reduced fare should not exceed "75% of the regular fare for such service." Section 22 of the Senate bill required Amtrak to develop a study on the efficacy of a reduced fare program for the elderly and the handicapped. Section 23 provided that the Federal Railroad Administration would reimburse Amtrak in an amount equal to the difference between the full fare and the reduced fares for the elderly and handicapped individuals up to \$4.5 million per fiscal year through FY 1981.

Conference substitute

The conferees have adopted the mandatory Senate approach which will require Amtrak to establish such a program, in lieu of the permissive House provision. The conference substitute does, however, delete that portion of the Senate Amendment which specified the minimum fare reduction. In taking such action, the conferees do not intend to deprive Amtrak of reasonable management discretion to implement and operate the program. Senate recedes on the study provided in Sec. 22 and on the reimbursement program provided in section 23 of the Senate bill.

OPERATIONAL IMPROVEMENT PROGRAM (SEC. 106)*Senate amendment*

No provision.

House bill

The House bill mandates that the Corporation shall develop a comprehensive plan for the improvement of all intercity rail passenger service provided in the basic system not later than January 1, 1981.

Conference substitute

The Conference substitute is the same as the House bill. The conferees agreed that the corporation needs to focus its operational objectives and Congress needs to be provided with the Corporation's analysis and evaluation in a timely manner so as to adequately prepare for the next authorization cycle.

REGIONAL MAINTENANCE PLAN (SEC. 107)*Senate amendment*

No provision.

House bill

The House bill mandates the establishment of a systematic, comprehensive, regional maintenance plan not later than January 1, 1980, which includes the establishment of a preventative maintenance program.

Conference substitute

The Conference substitute is the same as the House bill. One of the most significant problems affecting Amtrak's performance is the poor condition of its equipment. This provision contemplates the reduction of the high maintenance costs now plaguing Amtrak, as well as upgrading the poor condition of Amtrak's equipment.

RAILROAD POLICE (SEC. 108)*Senate amendment*

The Senate amendment strikes the term "security guard" each place it appears and substitutes "railroad police."

House bill

The House bill strikes the term "security guards" and "Security guards" each place it appears and substitutes "railroad police" and "Railroad police" respectively.

Conference substitute

The Conference substitute is the same as the House bill.

BUY AMERICA PROTECTION (SEC. 109)*House bill*

Section 132 of the House bill provided for the expansion of the Secretary's authority to waive the Buy American provision of the Rail Passenger Service Act to include the purchase of rolling stock and motive power if such equipment cannot be purchased and delivered within the U.S. in a reasonable time.

Senate amendment

No provision.

Conference substitute

Section 109 of the Conference substitute is the same as the House bill. It was not the intent of the conferees to provide for any

substantial change in the "Buy America" provisions of statutes governing Amtrak procurement. Adoption of the language of section 132 of the House bill was intended only to alleviate unreasonable shortages of equipment which could not be purchased from U.S. suppliers within a "reasonable" time. It was the conference committee's strong belief that Amtrak equipment purchased with U.S. tax revenues should continue to be returned to the U.S. economy by strongly favoring American suppliers and U.S. labor. Estimates have been made that from 25 to as much as 50 percent of Amtrak procurement directly relates back to federal, state and local tax revenues. It is imperative that these monies remain in the U.S. economy through Amtrak purchases at home.

PERFORMANCE EVALUATION CENTER (SEC. 110)*Senate amendment*

No provision.

House bill

The House bill directs Amtrak to establish a performance evaluation center. This Center is to have a problem solving emphasis in addition to its information gathering function.

Conference substitute

The Conference substitute differs from the House bill only with respect to the Corporation submitting the Center's semi-annual report to the Congress rather than the Center submitting that report. The conferees believe that, since the Interstate Commerce Commission will no longer have jurisdiction over Amtrak's adequacy of service, it is even more important that Amtrak have the capability of evaluating its performance on an on-going basis in a coordinated cost effective manner.

ADEQUACY OF SERVICE REPORTS (SEC. 111)*Senate amendment*

The Senate amendment did not have a similar provision to subparagraph (a) of the House bill. It did have an identical provision to House subparagraph (b).

House bill

The House bill gives the President of Amtrak the authority to direct the conductor on any Amtrak train to report to the Center any inadequacy of train operation. By providing statutory authority for conductors to report directly to Amtrak, it has the effect of permitting conductors to avoid conflicts of interest between an allegiance to one's employer and good rail service.

Subparagraph (b) repeals section 801 of the Rail Passenger Service Act of 1978 and thus terminates the Interstate Commerce Commission's responsibility to evaluate the adequacy of Amtrak's service.

Conference substitute

The Conference substitute is the same as the House bill.

APPLICABILITY OF OTHER LAWS (SEC. 112)*House bill*

Section 114 of the House bill amended the Rail Passenger Service Act to exempt Amtrak from ICC securities jurisdiction, to authorize Amtrak to establish through routes and joint fares with other modes of transportation, to exempt Amtrak from State and local laws relating to pay periods for employees, and to provide that Amtrak shall be deemed to be qualified to do business in each state in which it conducts activities.

Senate amendment

Section 5 of the Senate bill is very similar to section 114 of the House bill. However, the Senate provision established Amtrak as a citizen of the District of Columbia "... for purposes of determining the original jurisdiction

of the district courts of the United States in civil actions to which the Corporation is a party."

Conference substitute

Conferees agree to the text of Section 114 of the House bill amended by Section 5(m) of the Senate bill which established Amtrak as a citizen of the District of Columbia for the purpose of jurisdiction before the U.S. district court.

REPORTS TO THE CONGRESS (SEC. 113)*House bill*

No similar provision.

Senate amendment

Section 6 of the Senate bill amends Section 308(a)(1) of the Rail Passenger Service Act to require the disclosure to Congress and the general public information on ridership and revenues within 30 days following the end of the desired month instead of 80 days which is present law.

Conference substitute

The Conferees agree with the Senate language amended to require disclosure of the information on a prompt basis but specified within 45 days following the end of the month desired.

UNIFORM CONTRACT (SEC. 114)*House bill*

The House bill mandates Amtrak to enter into an industry-wide contract with the railroad industry in order to obtain the ability to run charter trains on a reasonable basis. The contract shall provide that Amtrak shall notify a railroad not less than seven days in advance of any proposed charter trip and not less than twenty-one days in advance of any charter trip if the tracks to be used have not been used by passenger trains during the preceding six months. The charter business or flexible scheduling of trains in response to passenger demands has not heretofore been possible for Amtrak because of the difficulty in making run-through arrangements with the numerous rail carriers between points of origin and destination whenever those points were between long distances.

Senate bill

No similar provision.

Conference substitute

The conferees adopt the House provision. It is the intention of the conferees that Amtrak encourage the use of charter trains because such operations can, at a minimum, be run on a break-even basis.

NEW SERVICES (SEC. 115)*House bill*

Section 116 of the House bill amended the Rail Passenger Service Act to make technical and conforming changes and to establish a new program for State cost-sharing of intercity rail passenger service. Any State or group of States may apply to Amtrak for new service. The State share is 20 percent of operating costs, 35 percent, and 50 percent respectively for the first, second, and succeeding years of operation. The State share of capital costs is a constant 20 percent.

Following receipt of a qualifying application, Amtrak must convene a Technical Assistance Panel, composed of Amtrak, State, and rail labor representatives, to make recommendations for minimizing costs of new service and allocating costs among participating States. If service can be provided within available resources, Amtrak must operate it. The State share of the costs of existing service would remain at 50 percent.

The House bill also amended the Rail Passenger Service Act to require operation of certain commuter service by Amtrak at present funding levels until April, 1981.

Senate amendment

The Senate amendment was similar in many respects, but did not provide for establishment of Technical Assistance Panels and left the state share of capital costs unchanged at 50 percent. The Senate amendment also provided for State support of a service deleted from the Basic System. The Senate amendment also provided for use of five percent of revenues generated by 403(b) service in advertising and promotion of such service on a local level.

Conference substitute

The conference substitute generally follows the House bill but incorporates several features of the Senate amendment.

The conference substitute retains the House concept of Technical Assistance Panels, but leaves the state share of capital costs of 403(b) service at 50 percent, provides for preference for a State proposal for a service deleted from the Basic System, and provides that not more than five percent of revenues shall be dedicated to advertising and promotion of such service on a local level.

SERVICE CHANGES (SEC. 116)

House bill

Section 117 of the House bill is a technical amendment to the Rail Passenger Service Act.

Senate amendment

No similar provision.

Conference substitute

Senate recedes.

APPLICATION OF ROUTE AND SERVICE CRITERIA (SEC. 117)

House bill

Section 118 of the House bill amended the Rail Passenger Service Act to provide for annual review by Amtrak of each long-distance route in the basic system to determine whether the route met certain economic criteria established elsewhere in the bill.

If Amtrak determines that a long-distance route fails to meet such criteria, the route and service criteria is to be applied for an evaluation of the route.

The House bill also provided that annual review conducted by Amtrak shall include an evaluation of segments of long-distance routes and alternative routings and required Amtrak to submit the results of the annual review to Congress and the Secretary of Transportation.

Senate amendment

No provision.

Conference substitute

The Conference substitute is the same as the House bill, with a technical amendment. The annual review provision is intended to apply only to routes which have been designated as long-distance or long haul routes. The Conferees are aware that the Route and Service Criteria have not functioned as originally intended by the Congress and direct Amtrak to submit to Congress recommendations for new Route and Service Criteria.

Such recommendations shall include appropriate economic criteria that represent a fair method of evaluating the performance and potential of individual trains.

EXCEPTIONS TO APPLICABILITY OF ROUTE AND SERVICE CRITERIA (SEC. 118)

House bill

Section 119 of the House bill amended the Rail Passenger Service Act to provide that the Route and Service Criteria shall not apply to certain Amtrak decisions relating to increases in frequency of service or to rerouting of service between major population centers on existing routes. This provision was intended to give Amtrak appropriate flexibility

to make reasonable service modifications without applying the Route and Service Criteria.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as the House bill.

ADDITIONAL QUALIFYING ROUTES (SEC. 119)

House bill

Section 120 of the House bill amended the Rail Passenger Service Act to require Amtrak, where reductions in operating expenses can be obtained, to operate service over any long-distance or short-distance route recommended for discontinuance by the Secretary of Transportation if the route meets certain specified criteria, based on projected FY 1980 performance. If a quadrant of the nation did not qualify for a long distance criteria train, the House bill provided a long distance train must be added to that quadrant in order to preserve regional balance. Such route would be required to qualify under the criteria, computed with an inflation factor, for continued operating after October 1, 1981.

The House bill also required operation of the Inter-American train to the Mexican border if it qualifies for continued operation and required operation of service beyond Tampa to St. Petersburg.

Senate amendment

The Senate amendment was substantially similar to the House bill, but did not include reference to St. Petersburg service or service to the Mexican border. The Senate amendment also contained a provision authorizing Amtrak to operate short-haul demonstrations on routes of 200 miles or less which link two or more major metropolitan areas.

Conference substitute

The Conference substitute is the same as the House bill, but also includes the Senate provision relating to short-haul demonstration trains.

The Conferees intend that Amtrak have flexibility for all trains qualifying for continued operation under this provision to restructure routes through major metropolitan areas to attract additional ridership.

FREE OR REDUCED RATE TRANSPORTATION OF RAILROAD EMPLOYEES (SEC. 120)

House bill

Section 121 amends the Rail Passenger Service Act to provide that unless Amtrak and a private railroad agree otherwise, Amtrak shall be reimbursed by the railroad for free or reduced-rate transportation of eligible railroad employees at the rate of 50 percent of the system-wide average monthly yield per revenue passenger mile.

Senate amendment

No similar provision.

Conference substitute

Conferees agree that, absent any new agreement between the Corporation and a private railroad to the contrary, Amtrak shall be reimbursed at the rate of 25 percent of the system-wide average monthly yield per revenue passenger mile through October 1, 1981. New Section 120(a) further provides that after that date, nothing in this provision shall preclude the ICC from ordering retroactive relief in any new or existing proceeding.

Further, the Conferees agree that the General Accounting Office shall conduct a study of the railroad employee fare program and report to Congress and the ICC within 180 days of the date of enactment regarding recommendations to reimburse Amtrak for the cost of providing such transportation services.

RETENTION AND MAINTENANCE OF FACILITIES (SEC. 121)

House bill

Section 122 amends the Rail Passenger Service Act to require that a railroad notify Amtrak prior to downgrading or disposing of tracks or facilities formerly used in passenger service which is discontinued pursuant to the recommendations of the Secretary of Transportation. Amtrak is required to prepare a survey plan of population centers with affected tracks or facilities with potential for retention or maintenance. If, after considering certain criteria, Amtrak desires to acquire or preserve such tracks or facilities and a satisfactory agreement with the railroad cannot be reached within 60 days, the railroad may apply to the Secretary, who must determine the avoidable costs to the railroads of such acquisition or preservation. If Amtrak does not agree within 60 days to pay such costs, the Secretary must approve the railroad's request. Separate authorizations of \$3 million for each of FY 1980-82 are provided for this purpose.

Senate amendment

Section 17 of the Senate bill is identical to Section 122 of the House bill, however, it is not accompanied by a \$3 million separate authorization for each of FY 1980-82.

Conference substitute

The House recedes on the separate authorization through FY 1982. The Conferees agree that Amtrak should fund the program from its capital account up to a \$3 million level for each fiscal year through FY 1982 at the discretion of the Board of Directors.

AUTHORIZATION OF APPROPRIATIONS (SEC. 122)

Senate amendment

The Senate amendment provided for a two-year authorization. It included the payment of operating expenses of the basic system, of substitute service trains and commuter service. It authorized \$576,300,000 for fiscal year 1980, and \$605,000,000 for fiscal year 1981. For the payment of capital costs of the basic system, it authorized \$176,000,000 for fiscal year 1980, and \$223,000,000 for fiscal year 1981. For labor protection payments required pursuant to section 405 of the Rail Passenger Service Act it authorized \$30,000,000 for fiscal year 1980 and \$32,000,000 for fiscal year 1981. Any sums remaining from labor protection payments were to be made available for the payment of operating expenses of the basic system, commuter trains and substitute service trains and capital costs of the basic system. For the payment of operating and capital expenses pursuant to section 403(b) of the Rail Passenger Service Act, it authorized \$20,000,000 for each of the fiscal years 1981 and 1982. For the payment of the operating expenses of criteria trains, it authorized \$40,000,000 for fiscal years 1980 and 1981. For the payment of debt obligations pursuant to section 602 of the Rail Passenger Service Act, it authorized \$25,000,000 in the fiscal years 1980 and 1981.

The Senate amendment also provided that capital grants be paid to the Corporation in each fiscal quarter so that such grants might be used by the Corporation for the temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of the Rail Service Passenger Act.

House bill

The House bill provides for a three-year authorization. It included operating expenses of the basic system and operating expenses of commuter service. It authorized \$522,000,000 for fiscal year 1980, \$591,000,000 for fiscal year 1981, and \$598,000,000 for fiscal year 1982. For capital costs of the basic system and labor protection under section 405 of the Rail Passenger Service Act, it author-

ized \$230,000,000 for fiscal year 1980, \$253,000,000 for fiscal year 1981, and \$271,000,000 for fiscal year 1982. For operating and capital expenses of rail passenger service provided pursuant to section 403(b) of the Rail Passenger Service Act, it authorized \$25,000,000 for fiscal year 1980, \$30,000,000 for fiscal year 1981, and \$30,000,000 for fiscal year 1982. For rail banking, it authorized \$3,000,000 for each of the fiscal years 1980, 1981, and 1982. For the payment of operating criteria trains and regional balance trains under section 404(d) and (e) of the Rail Passenger Service Act as amended by the House bill, it authorized \$50,000,000 for fiscal year 1980, \$52,000,000 for fiscal year 1981, and \$55,000,000 for fiscal year 1982. For the payment of operating substitute service trains pursuant to section 4(q)(2) of the Amtrak Improvement Act of 1978, it authorized \$20,000,000 for fiscal year 1980, and such sums as might be necessary for fiscal year 1981. For the cost of Model Programs, it authorized \$1,500,000 for each of the fiscal years 1980, 1981, and 1982.

Conference substitute

The Conference substitute provides for a 2-year authorization for operating expenses and a 3-year authorization for all other categories of the Corporation's funding. A two-year authorization for operating expenses was agreed to by the conferees because of the uncertainty involved in the projection of Amtrak's operating expenses for fiscal year 1982. However, a 3-year authorization was needed for the other categories so that Amtrak would be able to effectively plan its future, purchase equipment, and improve its facilities with the certainty of adequate financing.

The conferees have attempted to provide the Corporation with sufficient operating funds to operate the mandated system and to effectively focus its efforts in a cost-effective manner.

The Conference substitute directs that for operating expenses, the Corporation be authorized \$630,900,000 in fiscal year 1980, and \$674,900,000 in fiscal year 1981. It further directs that not less than \$1,200,000 and not less than \$1,000,000 of the operating expenses be allocated to model programs in fiscal years 1980 and 1981 respectively.

The Conference substitute directs that for capital costs, including the retention and maintenance of facilities under section 406 of the Rail Passenger Service Act, the Corporation be authorized \$203,000,000 for fiscal year 1980, \$244,000,000 for fiscal year 1981, and \$254,000,000 for fiscal year 1982.

For the payment of operating and capital expenses of rail service provided under section 403(b) of the Rail Passenger Service Act, the Conference substitute directs that \$23,800,000 be authorized for fiscal year 1980, \$29,000,000 for fiscal year 1981, and \$30,000,000 for fiscal year 1982.

For labor protection payments pursuant to section 405 of the Rail Passenger Service Act, the Conference substitute directs that \$30,000,000 be authorized in fiscal year 1980, \$12,000,000 in fiscal year 1981, and \$20,000,000 in fiscal year 1982. The conferees adopt the Senate provision which permits the Corporation to use surplus funds under this section for either operating or capital expenses.

For payment of the principal of obligations made pursuant to section 602 of the Rail Passenger Service Act, the Conference substitute directs that \$25,000,000 be authorized for each of the fiscal years 1980, 1981, and 1982.

The conferees adopt the Senate provision which allows the Corporation to use its quarterly capital grants for the temporary reduction of outstanding loan balances, including loans guaranteed by the Secretary pursuant to section 602 of the Rail Passenger Service Act.

EMPLOYEE COMPENSATION AND INCENTIVE COMMISSION (SEC. 123)

Senate amendment

No provision.

House bill

The House bill mandated that a five-member Employee Compensation and Incentive Commission be selected. This Commission was to be charged with the responsibility of evaluating whether Amtrak's salaries are sufficient to attract and maintain qualified officers, and developing an employee incentive program such as the institution of recognition and financial awards and a plan for the payment of individuals on class B stock.

Conference substitute

The Conference substitute incorporates two changes to the House bill. The Corporation is to be consulted as well as labor organizations when the Commission develops its program. The plan for the payment of dividends on class B stock has been deleted.

MODEL PROGRAMS (SEC. 124)

Senate amendment

No provision.

House bill

The House bill establishes a job placement program for Amtrak to assist in job placement for any employees who are affected by the discontinuance of trains.

Conference substitute

The Conference substitute makes two technical changes in the House bill. July 1, 1979, in the first sentence is changed to read October 1, 1979. The second change emphasizes a need to facilitate the need to reemploy unemployed railroad workers. The conferees believe that greater emphasis needs to be placed on continued employment and creative means for job placement.

NATIONAL CARRIER COORDINATION COMMITTEE

Senate amendment

No provision.

House bill

The House addressed itself to the lack of effective coordination between the Corporation and other rail carriers by passing a provision which would establish a national carrier coordination committee. This committee was designed to bring together the Secretary, the President of the Corporation, and the chief executive officers of each carrier having a contract with the Corporation to provide rail service every 6 months to iron out problems and coordinate activities.

Conference substitute

Although the conferees accepted the Senate amendment, this does not diminish the need for effective coordination among rail carriers and the Corporation. The conferees encourage the effective coordination through any expeditious means and recognize that such carriers are suffering from no statutory impediment to achieve the objective of effective coordination.

STATE TAXATION STUDY (SEC. 125)

House bill

Section 128 of the House bill amended the Rail Passenger Service Act to require the Secretary of Transportation to conduct a study of payment by Amtrak of State and local taxes and report to Congress no later than January 1980, on the advisability of exempting Amtrak from all or part of its obligation to pay such taxes.

Senate amendment

No provision.

Conference substitute

The Conference substitute is the same as the House bill.

REPORT ON REVENUES AND EXPENSES (SEC. 126)

House bill

No provision.

Senate amendment

The Senate amendment amended Title VIII of the Rail Passenger Service Act by adding a new section entitled, "Revenue Report", that required Amtrak to report to Congress on the ratio of revenues to total expenses on all routes in the basic system, to specifically identify those routes which did not achieve a 50 percent revenue-to-expense ratio, and to provide an explanation on the reasons which prevented such a ratio from being achieved. Such reports were to be filed within 60 days of the end of each fiscal year beginning with fiscal year 1981.

Conference substitute

The conference substitute follows the Senate amendment but the language "ratio of revenue to total expenses" is changed to read "ratio of revenue to operating expenses". The Conferees agreed that the annual interest expense on Amtrak's outstanding guaranteed loans should not be a factor in the computation of revenue to cost ratio for purposes of meeting the requirements of this provision. However, the Senate conferees have the concern that the revised formula for computing this ratio which excludes interest expense may yield a ratio which presents a misleading revenue gain relative to cost when the real improvement has been less than required. It is therefore the Conferees' intent and expectation that Amtrak will include in the revenue report, statements which explain with some specificity, the net effect of using only operating expenses and excluding interest expense on guaranteed loans in computing the revenue to cost ratio.

IMPLEMENTATION OF THE NEW ROUTE PLAN

House bill

Section 127 of the House bill amended the Amtrak Improvement Act of 1979 to permit Amtrak to defer implementation of certain of the Secretary of Transportation's route restructuring recommendations requiring capital improvements until such improvements may be made and to require Amtrak to provide substitute service over the entirety of existing routes recommended for restructuring in whole or in part, and over feasible portions of routes recommended for restructuring and over which services are not operated on the date of approval of the recommendations. House bill also provided that Amtrak shall continue to operate the substitute service described above after October 1, 1981, only if the route meets certain economic and ridership criteria.

Senate amendment

The Senate amendment contained similar language which permitted but did not require Amtrak to operate substitute service. Further, the Senate language did not require application of the criteria to routes to qualify for continued operation.

Conference substitute

The Conference substitute follows the Senate amendment but requires Amtrak to operate substitute service and requires trains, excepting short-haul trains concentrating on commuter ridership, to qualify under the criteria for continued operation after October 1, 1981.

With respect to alternative or substitute service between Washington, Cincinnati, and Chicago, pending restructuring, Amtrak shall operate trains in such a manner as to maximize short segment and commuter ridership through scheduling, intermodal connections, marketing, and other means.

If such service can be rerouted through metropolitan areas affording greater potential ridership and shorter running times, any assessment of performance should be based on a full year of operation.

INTERMODAL TERMINAL PROGRAM (SEC. 128)

Senate amendment

The Senate amendment has a very similar provision in its bill.

House bill

The House bill altered the requirement under section 4(1)(5) of the Department of Transportation Act which mandates that designs and plans for intermodal facilities under this provision must be completed in two years. The House bill granted the Secretary the authority to establish the proper time-frame for such designs and plans.

Conference substitute

The Conference substitute adopts the House version.

GAS STUDY OF DEBT ELIMINATION (SEC. 129)

House bill

Section 105 of the House bill provided for substitution of preferred shares of stock in the Corporation for its outstanding debt owed to the United States.

Senate amendment

No comparable provision.

Conference substitute

The conference substitute is the requirement of a study to be done by the Comptroller General and supplied to the Congress within 180 days after the date of enactment for the purpose of ascertaining the best way for the Corporation to be relieved of its debt obligations. The debt obligations of the Corporation were, for the most part, incurred prior to 1973 before Congress converted the financing of the Corporation's capital acquisition program from loans to grants. The unintended effect of the present debt is to add a large interest expense to the Corporation's operating expenses thereby creating the anomaly of the Federal Government having to appropriate additional money for Amtrak in order to service a debt held by the United States. The report by the Comptroller General must consider a number of methods for eliminating the debt to serve the best interests of the Corporation and the United States.

SERVICE ON PORTION OR SEGMENT OF DISCONTINUED ROUTES (SEC. 130)

House bill

Section 131 provided that Amtrak should conduct an evaluation of the possibility of restoring service to routes or portions of routes over which service is discontinued after October 1, 1979. The Corporation is required to report its findings to the Congress and to the Secretary of Transportation no later than February 15, 1980.

Senate amendment

Section 18 of the Senate bill required a similar review. However, the Senate counterpart specified the detailed information required for each route studied.

Conference substitute

Conferees adopt the House provision.

MAIL AND EXPRESS REVENUES (SEC. 131)

House bill

Section 107 of the House bill amended the Rail Passenger Service Act to authorize Amtrak to operate trains which carry mail only.

Section 133 of the House bill provided for a detailed determination by Amtrak in conjunction with the United States Postal Service, of those mail transportation requirements which can be met by Amtrak.

Amtrak was also required to submit to

Congress by March 31, 1980, a five-year plan to achieve maximum levels of mail and express traffic and to maximize revenues from such traffic. Following submission of the plan, an advisory group on plan implementation was to be established.

Senate amendment

No provisions.

Conference substitute

The House recedes on section 107 of its bill. Under existing law, Amtrak is required to take such actions as may be necessary to increase its revenues from the carriage of mail and express. The Conferees believe that Amtrak has sufficient authority under existing law to undertake operations involving carriage of mail which will improve its financial performance and urge Amtrak to initiate any such carriage which it determines will provide a positive financial result.

The Conferees have also adopted a modified version of section 133 of the House bill. Amtrak, in conjunction with the United States Postal Service, is required to determine those mail transportation requirements that can be met by Amtrak and to submit to Congress, no later than April 30, 1980, a report with recommendations for achievement by Amtrak of maximum levels of mail carriage and associated revenues. This report will enable the Congress to determine whether additional funding or authority may be necessary to achieve such levels.

AMTRAK ROUTE ALLOCATION STUDY (SEC. 132)

House bill

No similar provision.

Senate amendment

Section 18 of the Senate bill provided that the President of Amtrak must establish a system of uniform cost allocation for Amtrak which shall include: 1) the avoidable cost by route; 2) the revenue by route; 3) the fully allocated cost by route; 4) the number of passengers carried by route; 5) the avoidable profit/loss per passenger by route; 6) the fully allocated profit/loss by route; 7) the profit/loss per passenger by route; and 8) the profit/loss by revenue passenger mile. Further, Amtrak is required to transmit to the Congress by February 15, 1980, a report containing a profit/loss table for the upcoming fiscal year and the average ticket subsidy required to show a systemwide public service profit for the upcoming fiscal year.

Conference substitute

The Conferees agree to the Senate Amendment amended to provide for a feasibility study of establishing a system of uniform cost allocation. Further, the congressional report due date is moved to April 30, 1980.

TITLE II—AMENDMENTS TO THE REGIONAL RAIL REORGANIZATION ACT OF 1973

AUTHORIZATION OF APPROPRIATIONS (SEC. 201)

House bill

Section 201 of the House bill amends the Regional Rail Reorganization Act of 1973 to authorize appropriations for FY 1980 of \$27.2 million to the United States Railway Association for its administrative expenses.

Senate amendment

No Senate provision. However, separate legislation, S. 447, was passed by the Senate and pending before the House at the time of this conference. This separate legislation would have authorized \$30 million to the United States Railway Association for its administrative expenses.

Conference substitute

Conferees agreed to provide \$28,500,000 for the fiscal year ending September 30, 1980.

REPORT ON SPECIAL COURT PROCEEDINGS (SEC. 202)

House bill

The House bill required the Association to report quarterly to the Congress on the progress of the litigation before the Special Court.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as the House provision.

TRANSFER OF FUNCTIONS; MONITORING (SEC. 203)

House bill

The House bill required the Attorney General and the Association to develop and submit to the Congress a plan for the transfer from USRA of the litigation before the Special Court. The House bill also required the Secretary of Transportation and the Association to develop and submit a plan for the transfer of all other functions of the Association. The Board of Directors of the Association was also required to adopt procedures to ensure control over all contractors.

Senate amendment

No provision.

Conference substitute

The conference substitute is the same as the House provision with the required plan changed to a feasibility study.

INSURANCE COVERAGE (SEC. 204)

House bill

Section 204 of the House bill would amend section 303(b)(6)(B) of the Regional Rail Reorganization Act of 1973 to make a number of changes in the retiree health and life insurance programs under that section, including the placing of limitations on the maximum amount of life insurance to be provided for retirees and clarifying that the costs of section 211(h) loan funding of the pre-conveyance retiree life and health insurance premiums and benefits of railroads in reorganization are deemed to be expenses of administration of the respective railroads in reorganization and successor corporations.

Further, section 204 would have restricted the ability of certain estates or their successors to litigate the status of insurance obligations, pursuant to Public Law 95-597.

Senate amendment

No similar provision.

Conference substitute

Conferees.

The Committee wishes to make it clear that the elimination of the House bill's provisions restricting the ability of certain estates or their successors to litigate the status of insurance obligations, pursuant to Public Law 95-597, is intended solely to permit that issue to be settled by the appropriate court, and should not be construed as having any substantive effect on the merits of such litigation. Congress never intended that PL 95-597 should confer on private parties new benefits which they did not already enjoy. Consistent with that intent, the Committee does not wish to interfere with the current litigation.

The insurance program established in section 303(b)(6)(B) and the amendments in this legislation are not intended to create any adverse tax consequences for the recipients of coverage and benefits. To the extent a retired employee of a railroad in reorganization or the beneficiary of such an employee was not subject to any tax on insurance premiums or benefits paid under that railroad's policies, the Committee believes that the tax treatment provisions and benefits paid for those employees under sec-

tion 303(b) (6) (B) should be the same. Specifically, the death and medical benefits paid on account of claims incurred during a lapse in insurance coverage shall be deemed to have been paid pursuant to their employers' accident or health plans or under its group-term life insurance policy; the life insurance purchased by the Corporation pursuant to this section, whether by payment of a single premium or otherwise, shall be deemed group-term life insurance purchased by their employers; and any medical insurance purchased by the Corporation pursuant to this section shall be deemed to be part of their employers' accident or health plan.

TITLE III—OFFICE OF RAIL PUBLIC COUNSEL

AUTHORIZATION OF APPROPRIATIONS (SEC. 301)

House bill

The House bill provided an authorization of \$1,850,000 for the fiscal year ending September 30, 1980.

Senate amendment

No provision. However, separate legislation, S. 448 was passed by the Senate and pending before the House at the time of this conference. This separate legislation would have authorized \$500,000 to the Office of Rail Public Counsel and eliminated the Office at the end of fiscal year 1980.

Conference substitute

The conference substitute provides \$1,200,000 for fiscal year 1980. The conferees agreed to continue the independent Office of Rail Public Counsel, but serious questions about the effectiveness of the Office have been raised. The Office was intended to provide assistance and representation to those involved in rail matters before the Commission who lacked the resources or expertise to represent themselves, not to be a policy arm of the Commission. The conferees believe that during the next year the Office should conduct its activities in accordance with the statutory mandate.

TITLE IV—AMENDMENTS TO THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976 REHABILITATION AND IMPROVEMENT FINANCING

House bill

Section 401 of the House Bill would have made funds under the Railroad Revitalization and Regulatory Reform Act of 1976 section 505 redeemable preference share program available to a greater number of railroads by providing that an applicant railroad need not show that funds are not available from other sources at a reasonable cost if the project to be undertaken results in a significant restructuring.

Senate amendment

No Senate provision.

Conference substitute

The House recedes. The Conferees agreed that it was inappropriate to amend the Title V program to effect a redirection of the program at this time. The Conferees noted that the original purpose of the Title V program was to provide Federal assistance to those marginal railroads which, because of their precarious financial condition, could not secure monies from commercial lending institutions. Because Title V financial assistance is limited to rehabilitation and improvement of existing rail facilities and can only be used for limited new construction as part of a rehabilitation or improvement project, it is inconsistent with the purpose of the existing program to make Title V assistance available for projects not directly related to rehabilitation or improvement of the existing railroad system.

The Conferees agreed not to recommend any change at this time that would prejudice that original intent by broadening the program to allow for healthy railroads to

participate in a limited Federal assistance program. Use of Title V financial assistance in such a fashion might deprive marginal railroads, such as the Milwaukee Road, of Federal assistance vitally needed for rehabilitation and improvement projects. However, in declining to expand the scope of Rehabilitation and Improvement Financing under Title V at this time, the Conferees wish to point out that their current decision should not prejudice consideration of expanding the program during deliberations on future legislation.

EXTENSION OF FINANCIAL ASSISTANCE PROGRAM (SEC. 401)

House bill

Section 402 of the House Bill extends section 505 and other pertinent sections of the Railroad Revitalization and Regulatory Reform Act of 1976 to September 30, 1980.

Senate amendment

Similar provision.

Conference substitute

The conference substitute is the same as the House Bill except that "section 402" is changed to read "section 401".

TITLE V—EFFECTIVE DATES

House bill

Technical amendments.

Senate bill

No similar provision.

Conference substitute

Senate receded.

HARLEY O. STAGGERS,
J. J. FLORIO,
JIM SANTINI,
BARBARA A. MIKULSKI,
JOHN M. MURPHY,
MARTY RUSSO,
EDWARD R. MADIGAN,
GARY A. LEE,

Managers on the Part of the House.

HOWARD W. CANNON,
RUSSELL B. LONG,
FRITZ HOLLINGS,
J. J. EXON,
BOB PACKWOOD,
HARRISON SCHMITT,
NANCY KASSEBAUM,

Managers on the Part of the Senate.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 3996, AMTRAK REORGANIZATION ACT OF 1979, ON THURSDAY OR FRIDAY OF THIS WEEK

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that it may be in order for the House to consider the conference report on the bill (H.R. 3996) to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes, on either tomorrow or the next day at whatever may be the appropriate time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST H.R. 5359, DEPARTMENT OF DEFENSE APPROPRIATIONS, 1980

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 426 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 426

Resolved, That during the consideration of the bill (H.R. 5359) making appropriations for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, all points of order against said bill for failure to comply with the provisions of clause 6, rule XXI, are hereby waived, and all points of order against the following provisions in said bill for failure to comply with the provisions of clause 2, rule XXI, are hereby waived: beginning on page 14, line 11 through page 17, line 23; beginning on page 18, line 23 through page 21, line 16; beginning on page 22, line 13 through page 24, line 23; and beginning on page 26, line 17 through page 29, line 23.

The SPEAKER pro tempore. The gentleman from New York (Mr. ZEFERETTI) is recognized for 1 hour.

Mr. ZEFERETTI. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT) for the purposes of debate, and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 426 provides for the consideration of H.R. 5359, the Department of Defense appropriations bill for fiscal year 1980. The rule grants waivers of points of order for failure to comply with clause 6, rule XXI and waives clause 2, rule XXI in specified provisions indicated in the resolution.

Clause 6, of rule XXI prohibits the inclusion in appropriations bills of reappropriations of unexpended balances of appropriated funds. This waiver is necessary because of certain technical language included in the measure.

Clause 2, of rule XXI requires that all appropriations must have an authorization and prohibits the inclusion of legislation in an appropriations bill.

This waiver is needed since the bill includes appropriations for which authorizing legislation has not as yet been enacted. Specifically, provisions involving procurement, research and development, and special foreign currency programs.

Mr. Speaker, the total budget estimate for the Department of Defense and related agencies is about \$132,320,565,000. The amounts recommended for appropriation by the committee total \$129,513,578,000 in new obligational authority, \$160 million in proceeds from foreign sales, and \$344.5 million in transfers from other accounts. This reflects an \$8.9 billion increase from the fiscal year 1979 appropriations bill.

Mr. Speaker, I would like to commend the Defense Appropriation Subcommittee and its Chairman Congressman ADAMSO for the superior work demonstrated in this measure. I have no doubt the recommendations made in this bill will enhance the managerial capabilities within the Department of Defense and at the same time improve our already powerful military forces.

I do, however, have one concern with the bill. On page 7 of the committee report it states and I quote:

Our most urgently pressing defense need is to get a dollar in value for every dollar spent on defense.

I wholeheartedly agree with this. However, this does not mean we should not be given the opportunity to use some of this money as an economic stimulus,

particularly in areas of high unemployment. I speak specifically in regard to the Maybank amendment. This is a provision which was deleted during subcommittee hearings and then reinstated during full committee markup. This amendment will in effect prevent the Department of Defense from procurement practices in high unemployment areas. We are talking about \$48.2 billion which can be used to serve the jobless in this country and have a tremendous positive effect on our economy.

Mr. Speaker, when this issue is debated in the House I trust my colleagues will see the wisdom in striking this provision and by doing so playing a positive role in strengthening our economy.

□ 1530

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order H.R. 5359, the Department of Defense appropriations for fiscal year 1980. The bill includes appropriations for a number of programs for which annual authorization legislation has not yet been enacted. The necessary authorizing legislation is contained in H.R. 4040 which has passed both the House and the Senate and is now the subject of a conference. Consequently, a waiver of clause 2 of rule XXI is necessary and was granted against specified provisions in the bill. Clause 2 of rule XXI is concerned with the necessity of authorization for an appropriation and prohibits legislation in an appropriations bill.

In addition, the rule includes a waiver of all points of order under clause 6 of rule XXI. This is necessary because of certain technical language included in the bill involving the reappropriation of unobligated balances.

Mr. Speaker, I am pleased to see that the committee did adopt an amendment last week providing an additional \$2.1 billion to the fiscal year 1980 appropriations, most of which is allocated to the operation and maintenance appropriation.

However, I must express some concern over the level of funding recommended for appropriations by the committee for our Nation's defense needs. In view of our military position as contrasted with other global powers, it is inconceivable to me that the amount of funds in this year's bill is \$15 billion below the funds projected for fiscal year 1980 by President Ford in his fiscal year 1978 budget message. At a time when we most need to be assured of our Nation's defense preparedness, we are providing a level of funding which is lean, at best.

In recent years, the funds appropriated by the Congress have been trimmed to such an extent that I truly question the adequacy of funds being allocated to finance our defense needs. Our commitments remain as important today as they ever were and certainly the military threat our forces face against possible hostilities with the Soviet Union has not decreased. Consequently I must express my concern that this legislation and the funds appropriated by it have the potential for undermining our defense posture in the years to come.

Mr. Speaker, although I would be more

pleased to speak in support of a budget which would more adequately meet our defense needs and which would prepare our Nation's military forces for the future, I do support the legislation and the rule making it in order.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

PERMISSION FOR SUBCOMMITTEE ON CONSERVATION AND CREDIT OF COMMITTEE ON AGRICULTURE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that the Subcommittee on Conservation and Credit of the Committee on Agriculture may sit tomorrow during the 5-minute rule for consideration and markup on a bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. CHARLES H. WILSON of California. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. CHARLES H. WILSON of California. Mr. Speaker, I think there is at least one case in the bill that we will be hearing this afternoon where there is legislation in an appropriation bill; there can possibly be some others. There is one of particular interest to me. My parliamentary inquiry is: When will the appropriate time be to raise a point of order regarding title VII?

The SPEAKER pro tempore. The Chair will advise the gentleman that the appropriate time would be during the reading of the bill, under the 5-minute rule, when that provision comes up.

Mr. CHARLES H. WILSON of California. When that particular title comes up?

The SPEAKER pro tempore. That is correct.

Mr. CHARLES H. WILSON of California. I thank the Chair.

Mr. ZEFERETTI. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ADDABBO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5359, and that I may be permitted to include tables and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1980

Mr. ADDABBO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5359) making appro-

priations for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided and controlled by the gentleman from Alabama (Mr. EDWARDS) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from Illinois (Mr. ROSTENKOWSKI) as Chairman of the Committee of the Whole and requests the gentleman from New York (Mr. ZEFERETTI) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5359, with Mr. ZEFERETTI (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous consent agreement, the gentleman from New York (Mr. ADDABBO) will be recognized for 1 hour, and the gentleman from Alabama (Mr. EDWARDS) will be recognized for 1 hour.

The Chair recognizes the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a great privilege and honor to bring this bill to the floor as the new chairman of the subcommittee, following in the steps of the former chairman of the full committee, Mr. MAHON of Texas. I take this opportunity to thank the new chairman of the full committee, the gentleman from Mississippi (Mr. WHITTEN), for his valuable time and assistance as an ad hoc member of the subcommittee. His 25 years of experience on the Subcommittee on Defense is deeply appreciated and has been of great help. I also wish to thank the ranking minority member of the full committee, the gentleman from Massachusetts (Mr. CONTE), for his valuable help and time to our subcommittee.

Mr. Chairman, the subcommittee has labored hard and long to bring this bill to the floor this afternoon. I thank the ranking minority member of the subcommittee, the gentleman from Alabama (Mr. EDWARDS), and the other members of the subcommittee who have worked with me these past 5 or 6 months for their dedicated and diligent efforts to the Defense Subcommittee.

Mr. Chairman, I am sure I speak for all of the members of the Defense Subcommittee when I tell you that I am very glad finally to be able to bring the defense appropriation bill to the floor today. The preparation of the annual defense appropriation bill is one of the most arduous tasks of the Congress. The sheer magnitude of defense expenditures

and the importance of providing for an adequate national defense makes the drafting of this bill a demanding task.

We started the defense hearings on February 7 and concluded them on July 25, with 5 weeks of markup. We recorded 13,000 pages of transcript. The 11 volumes of hearings total more than 9,000 printed pages and I would point out to the Members that none of these volumes includes large numbers of pages of justification material or other filler. They are filled with statements made by witnesses and questions and answers.

The members take their defense responsibilities seriously and try to come to a reasonably good understanding of the programs requested and the basic condition of our Armed Forces. We have a dedicated staff, headed by Ralph Preston, often outnumbered by 100 to 1 by Pentagon specialists.

Once again, as has been the steady trend since the 1960's the defense budget is considerably more than the sum provided for the current fiscal year. The requests which were considered by the Defense Subcommittee totaled \$132.3 billion for fiscal year 1980. This compares with \$120.9 billion appropriated for fiscal year 1979. The committee recommends the appropriation of \$129.5 billion, a reduction of \$2.8 billion. When you include transfers from other accounts, the reduction is \$2.4 billion.

A change of \$2.4 billion is not much of a change in a request of \$132.3 billion. It is less than 2 percent. It does not represent a major change in defense direction or in the size or composition of our forces.

But the totals do not represent fully the actions of this committee. There are many areas in which the committee voted to provide more funds for programs than the administration had requested in the budget and other areas in which the committee voted to delete funds from the bill which had been requested by the administration.

Even so, the bill which we present basically funds the program presented by the Department of Defense and the President. The actions of the committee do not represent any drastic changes. They are for the most part managerial in nature and are designed to try to maximize the benefits of our defense dollars. We have not attempted to change the general thrust of the defense request nor the division of the dollars among the military services nor the balance between strategic and tactical forces.

Some of the principal reductions and additions recommended by the subcommittee are listed on pages 5 and 6 of the report. For example, we recommend reductions in the Veterinarian Corps. We recommend a reduction of \$51 million and 1,600 positions in management headquarters. We recommend the reduction of \$123.4 million in overtime pay. We recommend a reduction of \$90 million for the travel of personnel. We recommend an increase of \$93 million

to keep the strength of the Navy Reserve at approximately the present level. We recommend an increase of \$180 million for the development of the AV-8B vertical take-off and landing aircraft for the Marine Corps. We recommend additional funds for three Navy aircraft—the A-6E, F-14 and F-18.

We recommend an increase of \$98.1 million for the procurement of 6 A-7K aircraft for the Air National Guard. I am sure that different members are interested in different actions taken by the committee and we cannot discuss all of them at this point. I would point out that in the front of the report there is a table of contents which lists the various programs so that members can readily find the recommended committee actions. I should mention that one of the recommendations of the subcommittee is one with which I personally do not agree. The President requested \$1.6 billion for a CVV carrier. The committee approved \$2.1 billion for a CVN nuclear powered carrier. The subcommittee recommendation is in line with the votes taken by the House last week on the defense authorization bill in regard to the aircraft carrier.

Mr. Chairman, I wish that we could have gotten this bill to the floor some months ago, but as I just mentioned, the required annual authorization bill just passed the House recently. It will still be some time before that bill completes conference action and is signed into law by the President. So, we will have to proceed, as we have in recent years, on the House floor under a rule waiving points of order because of the lack of authorization.

This is not to my choosing or that of the Defense Subcommittee, but the delay in the authorizing legislation is beyond our control and we must do as well as we can under the circumstances. As you know, the beginning of the new fiscal year on October 1 is imminent so the Defense Department will have to operate under a continuing resolution until this bill is enacted.

I believe that we cannot deny the Pentagon money that is required for essential spending. Our purpose is to provide for national security rather than insist on following form, so I would propose that the House look favorably on most of these requests.

Mr. Chairman, I can absolutely assure you that the bill recommended by the subcommittee provides for adequate funds to maintain the size and strength of our defense establishment required to keep Americans safe and free today and to provide the necessary building blocks for our future defense. My only concern is that the bill provided too much money and that some of the money will be spent wastefully not only to the detriment of the taxpayers and the economy of the country, but to the detriment of the real military strength of the United States.

I have been sorely distressed in recent weeks by the outcries of some of our colleagues on the other side of the Capitol who call for increases of 3 percent or 5

percent real growth in spending for defense without specifying or discussing the programs or projects for which these funds are needed. Dollars alone will not defend us. Soldiers, sailors, marines, and airmen provided with the proper training and the proper weapons that are reliable and work when they need to work will defend us. Not dollars—not dollar levels—not 3 percent—not 5 percent.

Of course, we need to spend money for national defense, and we are doing so in ever increasing amounts, but we must be cognizant of the difference between military strength and defense spending. Let me just give you a story from our subcommittee's hearings 2 weeks ago. We had a reprogramming request involving a ship called the "LHA." In the discussion, it came out that the original contract price for the LHA ships had doubled, and the number of LHA ships which we got under the contract was cut in half. This cost increase represented additional defense spending. This represented not a 3-percent increase—not a 5-percent increase—but a fourfold increase. That should make those who measure defense by dollars spent very happy if they follow the rationale they are espousing. But I tell you we will not get any more defense out of the LHA than we would have had if the original contract price had been maintained. In fact, we will get far less defense because we only have half the number of ships.

Now, we have many people calling for large increases in defense spending. There are many who have recently become alarmed at reports of Russian troops in Cuba who fear confrontation and who have advocated quick increases in defense spending as a means of protecting the country. These fears have been magnified by the news media reports that up to 3,000 Soviet combat troops are 90 miles off the coast of Florida.

Our citizens are right to be concerned about the presence of these troops in Cuba although they have been there for most of the last decade. But the removal of these troops will not be accomplished by increasing the defense budget, be it a modest increase or one of massive size. The presence or lack of presence of Soviet troops in Cuba will be resolved by negotiations between the administration and the Soviet Union. Diplomacy, not battle, will resolve that question.

Be it coincidence or intentional leak, this is just one example of the alarmist stories that appears with regular frequency each time a defense appropriations bill nears completion. This year, controversy over SALT II has contributed more than usual concern about defense spending levels.

Let us discuss SALT II for a moment:

Some of our colleagues in the other body have vigorously pursued the position that the price of the strategic arms limitation treaty should be increased in spending on the part of the United States. They point to ever increasing defense buildups on the part of the Soviet

Union. The listener is left to assume that if we increased our defense spending somehow the Russians would not further increase theirs. But there is absolutely no evidence to indicate that this is the case. It is far more likely that if we increase our defense spending, the Soviets will further increase theirs and we would then probably again increase ours, and the classic spiral of arms escalation would occur.

My friends, we need to listen to reason. We need to use our own brains, our own eyes, our own experience, and not always take the word of those who propose one program or another for the defense of this country. We must not fall into the trap of assuming that the Pentagon would not ask for any funds for any purpose which was not absolutely needed for national defense. They are human as we are, and they make mistakes. Many of these mistakes have been well advertised, such as the C-5 aircraft which, in addition to horrendous cost overruns, was constructed with wings so weak that the aircraft cannot today carry anything like the load it was designed to carry and we are engaged in a billion dollar plus program to rewing the C-5 aircraft. They make mistakes like sending almost 300,000 dependents of our military personnel to the front line in Europe. It is good to keep the families together, but the impact on military readiness of our forces and our defense costs is not good and I can assure you that our Soviet opponents do not make the same mistakes.

As I said, some worry that we do not spend enough money on defense. We have too often been overwhelmed by technology and been too willing to buy

weapons which on the drawing board and perhaps even on the test range promise fantastic accomplishments, but which when fielded, prove to be so unreliable and so difficult to maintain that they are almost useless. You will recall the Falcon air-to-air missile with which we armed our fighter aircraft when we went to war in Vietnam. Test results indicated that we should get from 95 to 100 percent kills with the Falcon missile against enemy aircraft. In combat, it proved to be less than 10 percent and we discontinued the Falcon.

That is just one small example. Too much of today's technology is so expensive, so sophisticated, so complex that we can neither afford to buy the numbers of weapons which are needed in modern warfare, nor can we maintain the readiness of our forces because of the lack of reliability of these overly complex weapons.

The MX, which will consume at least \$30 billion in expenditures and which will use miles and miles of land in the Western part of our country, is one of those programs which must be closely and carefully monitored.

The MX is fully funded in the bill. I do not intend to be overcritical of the Defense Department. It is a huge institution and it utilizes a major part of our Federal expenditures every year. I just want to tell the House that you cannot measure military strength by appropriations alone; that we should not fall into that trap; that we should be wary and independent and thoughtful and try to provide those military forces which will give us real military strength. But we

must resist expenditures which not only do not add to our military strength, but often take away from our real military strength.

I would be remiss if I did not mention that by the Defense Department's own estimate at the end of fiscal year 1980, which starts on October 1, the Defense Department will have unobligated balances on hand in excess of \$20 billion. Those are funds for which no contract exists. The Department, by its own estimate, will have unexpended balances of in excess of \$95 billion. I would remind the House that the Department's estimates of unobligated and unexpended balances at the end of the fiscal year are generally understated and the actual balances usually exceed the amounts of the estimates.

I do not believe we are miserly in our support of national defense objectives. I believe that the bill before us is a good one, the best that hard work and many compromises could devise. I believe that the bill provides the funds needed to keep our country militarily strong. I ask for the House's support of the recommendations of your defense subcommittee.

My colleagues, I bring to you a bill which I support, and the subcommittee supports. I have an amendment later on the Maybank language in the bill, which was discussed earlier by my colleague from New York (Mr. ZEFERETTI), on the rule. I will discuss that in greater detail when the bill is read for amendment.

Under leave to extend, I include a summary tabulation from the committee report:

Agency and item	Bill compared with—				
	New budget (obligational) authority, fiscal year 1979 ¹	Revised budget estimates of new (obligational) authority, fiscal year 1980 ²	New budget (obligational) authority recommended in bill	New budget (obligational) authority, fiscal year 1979	Budget estimates of new (obligational) authority, fiscal year 1980
(1)	(2)	(3)	(4)	(5)	(6)
RECAPITULATION					
Title I—Military personnel	\$28,609,541,000	\$29,096,400,000	\$28,710,231,000	+\$100,690,000	-\$386,169,000
Title II—Retired military personnel	10,268,500,000	11,451,500,000	11,451,500,000	+1,183,000,000	
Title III—Operation and maintenance	37,885,815,000	42,710,571,000	41,021,759,000	+3,135,944,000	-1,688,812,000
Title IV—Procurement	31,601,116,000	35,420,200,000	34,941,741,000	+3,340,625,000	-478,459,000
(Proceeds from foreign sales)			(106,000,000)	(+106,000,000)	(+106,000,000)
(Transfer from other accounts)	(187,100,000)		(282,600,000)	(+95,500,000)	(+282,600,000)
Title V—Research, development, test, and evaluation	12,354,262,000	13,571,000,000	13,318,553,000	+964,291,000	-252,447,000
(Transfer from other accounts)	(15,000,000)	(20,100,000)	(61,886,000)	(+46,886,000)	(+41,785,000)
Title VI—Special foreign currency program	14,362,000	6,667,000	6,667,000	-7,695,000	
Working capital funds	100,800,000			-100,800,000	
Title VII—General provisions (additional transfer authority, sec. 734)	(750,000,000)	(750,000,000)	(750,000,000)		
VIII—Related agencies	55,500,000	64,227,000	63,127,000	+7,627,000	-1,100,000
Total, Department of Defense (NOA)	120,889,896,000	132,320,565,000	129,513,578,000	+8,623,682,000	-2,806,987,000
(Proceeds from foreign sales)			(106,000,000)	(+106,000,000)	(+106,000,000)
(Transfer from other accounts)	(202,100,000)	(20,100,000)	(344,486,000)	(+142,386,000)	(+324,386,000)
Total funding available	121,091,996,000	132,340,665,000	129,964,064,000	+8,872,068,000	-2,376,601,000
(Transfer authority)	(750,000,000)	(750,000,000)	(750,000,000)		
Distribution by organizational component:					
Army	30,298,771,000	32,872,600,000	31,420,949,000	+1,122,178,000	-1,451,651,000
(Transfer from other accounts)	(70,000,000)		(113,600,000)	(+43,600,000)	(+113,600,000)
Navy	41,072,304,000	43,573,613,000	43,579,717,000	+2,507,413,000	+6,104,000
(Transfer from other accounts)	(15,000,000)		(146,886,000)	(+131,886,000)	(+146,886,000)
Air Force	34,266,732,000	38,686,800,000	37,722,712,000	+3,455,980,000	-964,088,000
(Proceeds from foreign sales)			(106,000,000)	(+106,000,000)	(+106,000,000)
(Transfer from other accounts)	(117,100,000)	(20,100,000)	(84,000,000)	(-33,100,000)	(+63,900,000)
Defense agencies/OSD	4,928,089,000	5,671,825,000	5,275,573,000	+347,484,000	-396,252,000
Retired military personnel	10,268,500,000	11,451,500,000	11,451,500,000	+1,183,000,000	
Related agencies	55,500,000	64,227,000	63,127,000	+7,627,000	-1,100,000
Total, Department of Defense (NOA)	120,889,896,000	132,320,565,000	129,513,578,000	+8,623,682,000	-2,806,987,000
(Proceeds from foreign sales)			(106,000,000)	(+106,000,000)	(+106,000,000)
(Transfer from other accounts)	(202,100,000)	(20,100,000)	(344,486,000)	(+142,386,000)	(+324,386,000)
Total funding available	121,091,996,000	132,340,665,000	129,964,064,000	+8,872,068,000	-2,376,601,000
(Transfer authority)	(750,000,000)	(750,000,000)	(750,000,000)		

¹ Includes amounts in Supplemental Appropriation Act, 1979.

² Includes changes proposed in H. Docs. 96-156 and 96-189.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

The gentleman from New York (Mr. ADDABBO) is one of my very close friends in the Congress. I want to compliment him first on achieving the chairmanship of this extremely important committee. I want to compliment the chairman on what I think is a good job that his committee has done.

I am on the authorization committee. I have got great concerns in many of the aircraft programs. I am not as hung up on the carrier as some of my other colleagues are from the Committee on Armed Services, but I am supporting the Committee on Armed Services bill. I think that the Defense Appropriations Subcommittee has done as fine a job as could be done in supporting the chairman. The chairman deliberately held up his bill until we completed our bill, which I think is commendable. I think the gentleman has got along as best he could with the authorization bill that came out of the House of Representatives. For this, I want to commend him tremendously.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it has been said around here the Republicans watch chairmen come and watch chairmen go. We have not been able to say that on our defense subcommittee, because George Mahon, bless him, was here for as long as memory of man runneth not to the contrary, but he is now no longer in the House, and we do have a new chairman in the person of the gentleman from New York (Mr. ADDABBO). I guess it is fair to say that when you start a year with a new chairman, there is always a great interest in how he will perform.

We have had our differences. I do not think there is any question about that, but I think I can say without a doubt he has worked very hard. He has proven himself to be a very able chairman. I think he understands the defense needs of this country and I am proud to serve with him.

While we on the subcommittee argue a lot and fuss and fume a lot between ourselves, I think by and large the end product has been a good, credible bill that I am happy to come here today and support on the floor. I say that not suggesting there are not areas where improvements could be made, because there are areas where I wish we had done more.

There are areas where I feel that we have cut more than we should have cut.

BUDGETARY OVERVIEW

Mr. Chairman, for fiscal year 1980, the committee considered a revised request of \$132.3 billion in new obligational authority. That figure includes the \$2.7 billion budget amendment but excludes the proposed pay supplemental of \$2.9 billion,

which the committee must consider next year. Thus, we are really looking at a budget request of \$135.2 billion. When inflation is taken into account, that request provided roughly 3.4 percent real program growth as compared to last year's appropriations.

Mr. Chairman, at this time, the committee is recommending a total appropriation of \$129.5 billion in new obligational authority. Assuming that we approve the pay supplemental in full, that total would increase to \$132.4 billion or \$11.5 billion over fiscal year 1979 appropriations. That is a 9.5-percent increase.

The Defense Department estimates that inflation will exceed 8 percent next year. Based on the assumption, the Department concludes that fiscal year 1980 appropriations will eventually provide real program growth of only 1.1 percent. There is some controversy concerning this estimate, since it is dependent on inflation rates that may or may not occur next year. If, for example, actual inflation rates turn out to be less than 8 percent, then real program growth would be greater than 1.1 percent.

It should be noted also that any cut we make eats into real program growth first, and once that is consumed, then cuts begin to eat into increases budgeted for inflation.

BUDGET AMENDMENT

Since the budget was put together in late 1978, there has been a sharp upturn in inflation rates, particularly so far as fuel prices are concerned. The operation and maintenance account would have been hard hit if we had not made certain necessary funding adjustments during our full committee markup.

Just a few days ago, the Defense Department submitted a budget amendment totaling \$2.7 billion, including nearly \$900 million to cover fuel price increases.

We approved \$2.1 billion of that amount and added that to our bill in full committee.

We felt that the amount disapproved, \$560 million, had not been adequately justified, and all the experts said that if we exceeded the \$2.1 billion figure, we would have been bumping up against theoretical ceilings in the budget resolution and left ourselves little or no room to maneuver in conference.

The request for fuel price increases was approved in full.

SPECIFIC RECOMMENDATIONS

When compared to fiscal year 1979 funding, but excluding the supplemental, the bill proposes an \$8.6 billion increase. The bulk of that increase—or about \$7.4 billion—would be concentrated in the operation and maintenance, procurement, and R. & D. accounts. Those increases will certainly enhance readiness and provide for force modernization in the future, though I believe that the pace of this process must be accelerated.

The committee has been adding money to the bill right along to increase readiness, and this year is no exception. We added funds, for example, for depot-level maintenance and spare parts, and flying

and steaming hours have been funded at requested levels.

I would like to describe one instance where we took some positive and significant action to increase combat readiness.

The committee was deeply concerned to learn that a high percentage of F-15 aircraft were routinely unable to perform their assigned mission because of a lack of spare parts, particularly due to a shortage of F-100 engine spares. In 1978, there were 15,474 acts of cannibalization on F-15 aircraft, involving 47,898 maintenance man-hours of work. Cannibalizations are a direct result of inadequate provisions of spare parts, and this is an extremely costly and wasteful way to keep planes in the air.

There is just no way to justify cannibalization of the F-15. It is a new aircraft costing nearly \$20 million.

It is a prime asset—our first-line fighter.

In close consultation with the Air Force, the committee has moved to alleviate the very substantial shortfall in funding for spare F-100 engines/modules and engine spares. We have added \$106 million to the bill for that purpose. In addition, we have added \$30 million in O. & M. funds to accelerate the repair of F-100 engine assets.

If the Air Force starts fully funding spare parts programs in the future, this problem should disappear and give way to much higher aircraft readiness rates.

BUDGET CUTS

When compared to the budget request, the recommended appropriation would constitute a net decrease of \$2.8 billion of minus 2.1 percent, distributed among the various accounts as follows: military personnel—\$386.2 million or minus 1.3 percent; operation and maintenance—\$1.7 billion or minus 4 percent; procurement—\$478.5 million or minus 1.4 percent; and R. & D.—\$252.4 million or minus 1.9 percent.

Mr. Chairman, I cannot justify all of these cuts. In fact, I opposed many of them, but the committee did make a concerted effort to curtail wasteful practices and activities within the Department, and I wholeheartedly approve of this effort.

Let me cite some examples.

First. DOD has failed to curtail personnel travel, though directed to do so in the past. Those travel costs run about \$1.7 billion annually. We are recommending a reduction of \$92 million or 8 percent.

Second. There has been considerable abuse and waste and a lack of proper management and control over the use of DOD overtime pay. The request for fiscal year 1980 is \$411.3 million. We are recommending a reduction of \$116.4 million or 30 percent.

Third. There has been widespread misuse of sick leave and disability retirements within the DOD.

We have found that the services are permitting many civilian employees pending optional retirement to exhaust huge quantities of sick leave prior to retirement.

We have found that approximately 45 percent of all DOD retirements are for disability reasons which compares unfavorably with the 30 percent rate for the rest of the Government (which is also too high in my opinion).

We have found that each year some 300 civilians who retire for disability have previously retired from military service with disability.

To try to curtail these questionable practices, the committee is recommending a reduction of \$98 million or 10 percent.

Mr. Chairman, these kinds of cuts can only increase our military strength over the long run, as they will hopefully free up scarce DOD dollars for more useful purposes.

Mr. Chairman, there is one area where I feel that the committee has failed to take advantage of some obvious savings, and this is in its failure to support the proposed consolidation of basic helicopter pilot training. This move would save about \$100 million over the next 5 years. I support this proposal by the Department of Defense. I will have more to say about it later on.

There are several other areas where the committee foresees some potential long-term savings and efficiencies that deserve further scrutiny. These are as follows:

(1) OVERSEAS UNIT ROTATION CONCEPT

At present, the Army and Air Force use individual accompanied and unaccompanied overseas tours of duty that tend to be of a longer duration than the Marine Corps', which uses the unit rotation concept with shorter overseas assignments. At comparable costs, the Marines maintain that their approach reduces personnel turnover, improves readiness, and increases family stability at home bases. I would guess that when the cost of supporting dependents overseas with commissaries, hospitals, schools, etc. is taken into consideration, the unit rotation concept would turn out to be a far cheaper way to deploy our troops overseas. We have therefore directed the DOD to test out the feasibility and desirability of this concept.

(2) ACQUISITION OF ADVANCED ENGINES

During the hearings this year, the committee delved into major problem areas in the acquisition of large high-thrust fighter engines.

Since the 1960's, the Defense Department has initiated the development of aircraft engines and airframes concurrently, though it generally takes 12 to 14 years and 1 million engine flight hours to mature advanced fighter engines, whereas airframes can be developed in 4 to 6 years. This has resulted in engines being placed in production long before their development has been completed. This, in turn, has led to component improvement programs (CIP) designed to correct numerous deficiencies identified early in an engine's service life. CIP and attendant modification programs are costing millions of dollars each year.

We also found that in the past, military engine programs have stressed per-

formance at the expense of reliability, maintainability, and durability. This, in turn, has led to the premature adaptation of advanced engine technology. As a result of these practices, we are paying a terrible price in engine operating and support costs.

The F-100 engine, which powers both the F-15 and F-16 aircraft, and the TF-30, which powers both the F-14 and F-111 aircraft, are living examples of all the pitfalls in engine development programs.

The next generation of large, high-thrust engines will be needed in the early 1990's.

If we are to avoid past pitfalls and have a relatively mature engine available for production by 1990 or thereabouts, then the design and fabrication of the early prototype models of that engine needs to get underway without delay.

The committee has made several specific recommendations along those lines all aimed at increasing reliability, maintainability, and durability. And the bottom line is that premature production results inevitably in unnecessarily high maintenance and support costs later.

And this is especially true of the XM-1 tank.

(3) TANKS

If the Army has one great need it is for a new main battle tank in the field. We have been trying for about 18 years to accomplish this, and I find that incredible. So here we are with the new XM-1 tank with more problems than a production model ought to have. We have provided the money for 30 tanks a month, but we said the Army cannot buy more than 10 tanks a month until all the tests are successfully completed. We need a new tank, but we need one that works. I am unwilling to put tanks in the field with our boys in them when we know that the tanks don't meet the "mean miles between failure" test. That is suicide.

And we also know from experience that if we put tanks in the field that are not fully tested we simply compound the problem of readiness and the spare parts budget for the future.

TRENDS IN DOD BUDGET CUTS, FISCAL YEARS 1970-80

Looking back over the last decade, the 2.1 percent overall reduction recommended by the committee is consistent with what appears to be an emerging trend.

The mood in the Congress on defense is changing.

In fiscal year 1970, the Congress made a 7.2 percent reduction in the defense bill—the largest single cut in this decade. For fiscal year 1971-72, cuts of 3-5 percent were imposed. The heaviest concentration of cuts came in fiscal years 1973-76, averaging 6-7 percent. Since then, the trend in budget reductions has been gradually and steadily downward. In fiscal year 1977, Congress trimmed 3.5 percent from the bill; 1978—3.8 percent; then in 1979, it dropped to 2.2 percent; and in 1980 our bill calls for a cut of 2.1 percent.

This seems to be part of a pattern

wherein the Congress has been cutting less and less from the defense bill each year, but cutting nevertheless.

At the end of the Vietnam war, the prevailing view held the DOD budget to be bloated and that major reductions were in order. But that view has gradually given way to a new interpretation as evidenced by declining DOD budget cuts—a view that postulates the existence of serious deficiencies within our Defense Establishment in several specific areas. It also says to me that it is wrong to try to place all the blame for inadequate defense spending on this or past administrations. The Congress, very simply, has neither equaled nor exceeded the budget in the last 10 years.

NATO

The fiscal year 1980 budget for defense placed great emphasis on increasing the combat capabilities of our conventional air and ground forces for the defense of NATO along with our strategic nuclear forces, while placing less emphasis on Navy forces and missions. Thus, while the proposed budget projected "real program" growth of about 3 percent for the Air Force and Army combined, if allowances were made for inflation, there would be no growth whatsoever offered in the Navy budget.

The committee supports the plan to strengthen our NATO defense and strategic nuclear postures, but at the same time the message conveyed by the committee's decisions is that we cannot allow any further decline in our naval strength. There needs to be some "real program" growth in the Navy budget as well.

The reason for this is quite simple.

We are a seapower—or we should be. Our dependence on the sea has continued to grow as we have become more involved in the world economy. Yet, as our dependence on the sea has increased, our ability to control the sealanes has come under increasing challenge by the Soviet Union.

As a seapower, the Navy has been a principal instrument for executing our foreign policy.

The crucial foreign policy role played by the Navy in the post-World War II era has been carefully documented in a Brookings Institution study, which surveyed 215 incidents where the United States employed its Armed Forces between 1946 and 1975.

According to the Brookings study—

The United States has turned most often to the Navy when it desired to employ the armed forces in support of political objectives.

Naval forces participated in 177 of the 215 incidents surveyed, or more than 4 out of every 5. In conclusion, the study states:

The Navy clearly has been the foremost instrument for the United States' political uses of armed forces; at all times; in all places, and regardless of the specifics of the situation.

And, the reason for this is very simple. The show of naval force in a crisis is the only way available to us without relying on the territory of another country.

It is impressive, it is meaningful, but it is carried out on the high seas without dependence on a foreign country.

The history is clear—a strong Navy must remain an essential part of our national security policy.

We have obviously reached a point where we must either provide more money for the Navy or face up to reduced Navy force levels and missions.

In this year's and last year's bill, our committee has added critically needed funds to the Navy budget.

CONTROVERSY SURROUNDING THE NAVY MISSION

The controversy surrounding the Navy mission and its manifestations in DOD budgets is the single, most important issue in the bill. It is not a new issue. It has been brewing for several years now and the struggle is continuing.

The conflict is between the Defense Department and the Navy over what the future mission of the Navy should be. The conflict is continuing without resolution or any clear sense of direction, and I see it being at the heart of the problem with the Navy portion of the budget.

The Defense Department contends that there has been no change in the Navy mission and that none is planned. The Department acts as if the issue does not exist.

Yet all the detailed budgetary data suggests otherwise. Those figures suggest that actual procurement rates for naval aircraft and ships either are not or will not be adequate to maintain current force levels, and to me, this means an inevitable change in mission somewhere down the road.

The Defense Department is saying one thing and doing another. Someone over there is not facing up to the problem, and in the meantime, our Navy is drifting into decline.

In examining annual Navy budgets as compared to projected 5-year defense plans, one can readily find that vast discrepancies exist between planned versus actual procurement rates for naval aircraft and ships. The Navy is betting on the "come."

This is what happens.

The Navy keeps postponing, or is required to postpone, the allocation of adequate funding levels for ships and aircraft, pushing massive sums of money into outyear budgets. Well, it is all piling up out there in what is known as the "bow wave." Then the inevitable will happen. The military will come to the Congress to say that all these ships and aircraft really were not needed anyway—but what they will really be saying is that there is not enough money.

Recent news reports on next year's budget and the new 5-year defense plan (fiscal year 1981-85) bear out this prediction and suggest that the trend is continuing.

The Marine Corps is also involved in the controversy, because its mission has to change as Navy force levels and missions change. Next year I am planning to delve into the roles and missions and future direction of the Marine Corps.

The indecision over the Navy mission has been an open invitation to the committee to reorder funding priorities, even

though I do not believe that we should be setting budget priorities. But, in the absence of proper policy guidance in this regard, we find ourselves moving into the vacuum.

If there is to be a clear change in the mission of the Navy and Marine Corps, then let us have it out on the table.

LIBRARY OF CONGRESS STUDIES

Given all the controversy over the Navy mission, I decided at the conclusion of last year's action to undertake detailed studies in what I perceived to be the most critical problem areas—naval aircraft and ship requirements, inventories, and procurement plans and options. Those studies, which were prepared for my use by the Library of Congress, were instrumental in helping me to develop a more systematic approach to the whole problem. Those reports were the subject of much discussion during our deliberations this year.

As a result of that work, I now feel as though I have a much better understanding of the problem, and there is general agreement on the committee—I think—as to what needs to be done. That conclusion is reflected in the committee's recommendations.

AREAS OF MAJOR CONCERN

SHIPBUILDING PROGRAMS

Each year we buy fewer and fewer ships, and the fleet is shrinking in size, and all the information indicates that this trend will continue. For example, when President Ford left office, his 5-year shipbuilding program called for 157 ships to be built, 36 of which would have been funded in the fiscal year 1980 budget. President Carter this year reduced the 5-year program to 67 ships and only budgeted 15 in fiscal year 1980—the same number budgeted last year. Two ships were deleted from last year's program, but the recently approved supplemental providing 4 additional ships would establish a 17-ship program in fiscal year 1979. Most experts agree that we should be building about 20 ships each year.

The bill, as modified by the committee, provides for the construction of only 10 new ships as follows: One Trident submarine, one attack submarine, one aircraft carrier, one Aegis destroyer, and six guided missile frigates. The request included 15 ships. We deleted the five T-AGOS SURTASS ships.

And the future looks grim.

The current 5-year plan (fiscal years 1980-84) includes a total of 67 new ships or about 13 per year, and according to recent news reports, the new 5-year plan (fiscal years 1981-85) calls for only 46 new ships or only about nine per year. Those numbers fall far short of the Navy's needs.

I have been greatly concerned about the trend in shipbuilding. It is serious, and it is continuing. For these reasons, I asked the Library of Congress to conduct a detailed analysis to determine how many and what types of ships we need to be buying in the future and to estimate the cost of such a program.

That study was completed on May 30, 1979, and was discussed at length during

our hearings on the shipbuilding program.

I will summarize its principal findings.

First. In order to maintain the current 540-ship Navy through the year 2005, we will need to buy about 400 ships between now and the year 2000 or roughly 19 new ships per year.

Second. The average annual cost to maintain the 540-ship Navy over the next 21 years would be \$8 billion in fiscal year 1980 dollars. This compares with an average annual shipbuilding appropriation for the past 10 years of \$5.6 billion in fiscal year 1980 dollars. The 42-percent increase in annual shipbuilding appropriations, which would be required to maintain the 540-ship Navy, would constitute a major change in DOD funding priorities.

Third. At present funding levels, Navy ships are more costly than can be afforded in the numbers required to maintain present force levels.

Fourth. A continuation of the present policy for 10 years or more would result in a Navy of about 350 ships.

Fifth. Alternative courses of action include:

First, accept less capability, either by reducing the size of the fleet or designing less capable ships;

Second, increase funding for shipbuilding; or

Third, shift to new concepts and technology.

I have no doubt that we will be shifting to new concepts and technology. That is as it should be. And this may very well mean that we will need fewer ships. But again the Department of Defense needs to lay all that out on the table for the committee to deal with. But for now the handwriting is on the wall.

We are fast headed for a 350-ship Navy, and that is a far cry from the 540-ship Navy of today and the 1,000-ship Navy of 10 years ago.

I question whether a force of that size could continue to carry out the Navy's principal mission of maintaining maritime superiority based on what the committee knows at this time.

AIRCRAFT REQUIREMENTS

The outlook here is equally grim.

The fiscal year 1980 request for naval aircraft procurement including funding for only 39 fighter/attack aircraft, 24 F-14's and 15 F/A-18's. That number would not go far toward meeting the Navy's annual requirement for new fighter/attack aircraft.

According to the Library of Congress, the Navy and Marine Corps need to procure at least 160-200 new fighter/attack aircraft each year merely to offset normal peacetime attrition so as to maintain the 12 active and 2 reserve carrier airwings and 3 active and 1 reserve Marine airwings at their authorized strength and with an acceptable average aircraft age of 7 to 8 years.

RECENT FUNDING HISTORY

In recent years, the Navy has procured far fewer than the required 180 new fighter/attack aircraft per year. In the last five budgets, the Navy has procured an average of only 83 fighter/attack air-

craft per year. The number has been decreasing, with the average for fiscal years 1978-79 of only 70 aircraft.

If that downward trend is not reversed through increased annual buys, it will not be possible to maintain 12 active carrier and 3 Marine airwings in the future.

The recent history of appropriations for naval aircraft procurement does not augur well for the future.

CAN FUTURE FUNDING INCREASES BE REALIZED?

Just as in the case of shipbuilding, the Navy is also looking at big cost increases for aircraft procurement in the next 5 years.

The Navy has budgeted \$1.4 billion this year for fighter/attack aircraft. That progressively increases in 1984 to \$3.5 billion—a whopping 150-percent increase—as buys of fighter/attack aircraft climb from 39 aircraft this year to 210 aircraft in 1984. Plans also call for maintaining that level of procurement into the late 1980's.

The total Navy aircraft procurement budget, including aircraft modifications, is \$4 billion this year. That will grow in 1984 to \$6.9 billion—an increase of 75 percent.

During the same 5-year period, funding for shipbuilding programs is projected to increase by 40 percent from \$6.2 billion this year to \$8.7 billion in 1984.

If this plan were fully executed and sustained into the outyears, the Navy and Marine Corps aviation programs would be well on their way to recovery.

I raise the same question I have been raising all year. Where is the DOD and the Navy going to come up with the money needed to carry out this plan?

The Navy cannot do all that needs to be done in this budget because there is only so much money available.

So far no one has been able to tell me where the Navy will get that kind of money 5 years from now if we cannot come up with it today.

The only way it can be done, I am told, is to have average annual growth of 3 to 4 percent in overall funding for the Navy over the next 5 years.

But history suggests that is not going to happen.

Well, this seems to have turned out to be another Navy speech, and I apologize for that. But in my opinion the Navy, of all the services, clearly has the greatest long-range problem. We must face up to that problem now if we are to have a solution for the future.

I could argue all day long about how much is needed in this bill and how much each military branch requires. When we get right down to it, though, I don't believe there is anyone in this Chamber that knows the answer to that question. I certainly do not have the answer. But the problem does cry out for study and consideration and a clear sense of direction.

Well, Mr. Chairman, we have carefully reviewed the budget. We have deleted some items. We have added some, and we have transferred some from one area to another. We did the best we

could, but this is not a perfect bill by any stretch of the imagination.

With some of the exceptions noted earlier, I believe this is a good bill. But in the years to come, I also believe we will be called upon to spend even greater sums if we are to respond to the continuing Soviet advances, and if we are to provide funds for our own technological breakthroughs as well as force readiness and modernization. That is why it is so important to make the best use of every defense dollar.

□ 1600

Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, I would like to echo the comments of our ranking minority member, the gentleman from Alabama (Mr. EDWARDS), in terms of complimenting our new subcommittee chairman and our staff for their unfailing courtesy, for their fairness in dealing with us as a minority in the subcommittee, and for their skill in handling a bill which becomes more difficult each year and is reflected, I am afraid, in the necessity for the increase in the size of our staff as the years go by. This, as usual, has been a difficult year because it has been a transition year. It has been difficult for the chairman; it has been difficult for the membership, because it is not easy when a committee makes a transition from the chairmanship of a man who had been in charge of the committee for as long as George Mahon had to a new chairman with new ideas, new administrative techniques, and with, additionally, substantial additions to the committee in terms of new membership.

To those who would criticize us because of the fact that there is a \$2 billion cut, I echo the sentiment of JACK EDWARDS, that certainly we would like to fund all of the needs of the Department of Defense, but I want to tell the Members that we do not find unanimous thinking in the Department of Defense with regard to what those needs might be.

It is always difficult to deal with that situation when we have to come down to reestablishing priorities, and a great deal of work this subcommittee does is in that area of reestablishing priorities as we try to fit the pieces of the puzzle together based on the amount of money that we feel is honestly available and can be portioned out.

To those Members who feel that the bill is too big—and there are some that do—I say to them that if they will look on pages 5 and 6 and see where the cuts and the additions are that have been made in this bill, I think they will have to acknowledge that the committee has made a judgment based on a substantial number of decisions that had to be made, and that it was not made on basis of incomplete information or on basis of a lack of staff work in terms of backing up what we finally came down on as the proper choice.

I would also, to those Members who feel that the bill is not large enough, call to their attention the fact that we know that there is a very substantial supple-

mental coming down the road, and that before this session of Congress is over we are going to be looking at a great deal of additional money that is going to be necessary to cover the needs that will be discovered as the year moves on and we get into fiscal year 1980. I am very pleased to be able to note that in the interests of this particular Member I am not going to be standing in the well as often in terms of being opposed to the stand that my chairman takes or that my ranking minority Member takes with regard to this bill as I have in a couple of years just past, because in the instance of some of the big ticket items—and I am referring particularly to the nuclear carrier—we are going to find as a consequence of the House action that has already been taken on this matter that the opposition and attitude is greatly different from what it was last year. I am pleased with the fact that we are not looking at a threatened Presidential veto with regard to our bill with respect to this item in this particular instance.

But, our chairman has made much of the Soviet presence in Cuba, and has mentioned that he does not feel that it has any proper impact on this bill as we consider it here today. Well, I do not infer that it has a great deal of reasoned impact on this bill.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield the gentleman whatever time he wants. May I say while I am on my feet that I do that knowing that the gentleman is one of the most able members of our subcommittee, and a man in whom I have the greatest confidence.

Mr. ROBINSON. I thank the gentleman from Alabama for his kind remarks and for the yielding of the additional time.

With regard to the Soviet presence in Cuba and its impact on this bill, I do not suggest that it should have a great deal of impact on this bill, but I do suggest that if we had been applying the proper resources today we should have applied to the bills in more recent years—and I perhaps should go back 10 years ago—that in that case we then would not have those troops in Cuba because it would be understood in the Soviet Union and worldwide that we intended to stand up and fight when and if necessary, and that we would not hold still for having those troops in Cuba.

□ 1610

I regret very much one area of the bill where I think we are not properly covering our responsibility in that we are not considering standby registration for the draft in case of a national emergency. I regret that we are not able to include that in this bill, because I think it is absolutely necessary for our readiness posture and something that we are going to have to do in the future. I regret that the House took the action that it did in eliminating it from the authorizing bill, but I applaud the fact that the nuclear carrier is in this bill. I am confident that it is going to send the signal that has already been mentioned on this floor many times to our

prospective enemies with regard to our intent and our ability to defend and keep open the lanes of transport in the oceans of the world around the world as a total. I mentioned that a great deal of the decisionmaking process in our subcommittee is one of reestablishing priorities as suggested by DOD and that sometimes the various agencies of DOD do not agree themselves as to how these priorities should be established.

One of our problems in sorting out these priorities is when they come up here on an annual basis, they do not have the same current priorities as they did last year. If you think this does not confuse the decisionmaking process, then you do not know how difficult it gets after we have gone through those 11 volumes of hearings that have been mentioned to you to sort out and make decisions on a dollar basis with regard to the thousands of items that you will find covered in the 500 pages of this committee report.

Perhaps much of what I have said has sounded critical with regard to the bill but, Mr. Chairman, I am going to vote for it because I think that the committee brings us a good bill, and because the new year is so imminent, I believe it is essential that we move ahead on this largest and most important—I think, in the view of most of the people in this House—of the regular appropriation bills, 13 in number, that come before us.

Mr. Chairman, as a member of the committee, however, I have subscribed, together with other members, to additional views which appear in the report and which reflect our concern over language in the report stating that—

The funds provided are adequate in amount to finance the military capabilities required by the United States at this time.

I have very substantial doubts that the funding is fully adequate, in terms of the readiness of our national defense establishment.

Readiness is the key word—maximum readiness now, with what we have, or can procure quickly, in personnel and materiel; and an intensive, methodical effort to enhance that readiness, in order that it will be equal to the increasingly potent threats of the years and decades ahead.

We have been slipping.

One by one, our former substantial advantages have been neutralized, and some now are being converted into disadvantages.

The Soviet Union's energetic and impressive buildup of its own offensive and defensive capabilities have combined with our complacency and false economy to bring about this ominous turn.

It is not of our national choice that we are involved in a long-term chess game of incalculable consequences.

The Marxist strategy is geared to the long term, but the circumstances of the present, with their advantages and disadvantages for the grand plan for international communism, are interfaced with that strategy.

Since World War II, we have seen the Soviet Union advance its strategy through military support of so-called

movements of national liberation, without significant commitment of its own combat forces.

These adventures have not been fully successful in all instances, but the reverses have been few.

The areas of Soviet domination or influence have grown.

Our power and influence as leader of the free world—and our national will to fill the leadership role—have come into question.

On the chess board, it is a time of probing and testing.

We see the arrogant intrusion of a Soviet combat brigade in Cuba.

Our options to abate this symbolic threat are few and difficult.

Where, and with what effect, might our moves be counteracted elsewhere on the worldwide board?

As the diplomatic efforts continue, might the deactivation, or downgrading, of our naval base at Guantanamo be the price of an accommodation by the Soviet Union?

I sincerely hope not, and so should we all.

When we hear or read that Guantanamo has lost most of its importance as a naval base, we need to return to our maps and refresh our understanding of the defense geography of the Caribbean.

Guantanamo stands out as the sentinel of the Windward Passage, a major gateway to that sea, which was a favored hunting ground of Nazi submarines in World War II.

How convenient to the establishment of the Caribbean as a Soviet lake would be the abandonment to Castro of our base at Guantanamo.

Why am I talking about Guantanamo in connection with this appropriation bill?

Not merely because the modest funding for maintenance of the base is included, but because the presence of the Soviet combat brigade in Cuba, and our responses to that presence, and the Soviet responses to our responses, focus attention on the active Soviet interest in Western Hemisphere affairs, and on our capacity, or lack of capacity, to deal effectively with even more serious intrusions which might come in the future.

We may still hold a few secrets in qualitative defense capacity, but our quantitative capacity is virtually an open book.

And, when we look at the other side, we see great quantity and considerable quality.

The armed might arrayed against Europe by the Warsaw Pact combine is no mirage.

Although certainly not hopeless, the superiority over NATO forces in numbers of personnel, tanks, armored personnel carriers, and artillery is frightening.

Perhaps even more ominous a challenge, however, is to be found in the impressive progress which the Soviet Union is making toward an obvious goal of neutralizing the U.S. Navy's long-held capacity to maintain effective control over vital sea lanes.

The foreword to the latest edition of Jane's Fighting Ships notes, in particular, the development for the Soviet Navy

of new classes of surface craft of high sophistication.

There are cited, as examples, a class of large nuclear-powered missile-carrying warships, seemingly comparable in size and fighting power to a class of vessel for which our Navy's plans are shelved at this time; and a large landing platform dock (LPD) class suitable for amphibious operations, plus a big and versatile support ship with substantial armament.

The Soviet Navy is moving ahead purposefully in the development of a potent aircraft carrier force.

In August, the publication, "Aviation Week and Space Technology," published an article including this report:

Soviet Union is building what U.S. naval experts believe will be its first large-deck, nuclear-powered aircraft carrier at Russian shipyards in the Murmansk area.

At the same time, the Soviets have started sea trials in the Black Sea with a third vessel in its Kiev antisubmarine aircraft carrier class.

A fourth Kiev-class ship is now under construction in a Black Sea shipyard . . .

These are sharp straws in a chill wind.

We cannot plan, realistically, to match the numbers of the Warsaw Pact force in being, either as to personnel or as to such basic tools as tanks and guns. We must strive, therefore, for the edge of quality in our ground forces, and the air support for these forces.

And, as the Soviet Navy moves steadily toward a global operational capacity, we cannot tolerate a further erosion of the relative strength of our own Navy.

That is why some of us on the committee have been disturbed by the magnitude of the reductions from the President's requests in several important areas in which significant increases, in real terms, seem to us to be clearly necessary to achieve an order of readiness prudent for these times.

In this connection, we should keep in mind that increases in the budget recommendations yet to be considered will be discounted substantially, by the time the funds become available, through the further skimming by inflation.

The bill reduced the figure for operation and maintenance by well over \$1 billion—a rough slash at the heart of readiness.

More than a quarter of a billion dollars was cut from research and development, the generator of the qualitative advantage.

In procurement, while we increased the naval aviation program by two-thirds of a billion dollars, we cut overall defense procurement by almost one-half billion dollars, including reductions in additional buys of our current basic tank, the M60A3, the battleground Pershing missile, and certain command and control equipment.

And, despite the funds provided for Navy and Marine Corps aviation, we cannot be at all comfortable about the outlook. Even with the increases over budget, procurement of 72 tactical aircraft in fiscal year 1980 will be contrasted with the hearing testimony of Secretary of Defense Harold Brown that a buy of about 180 fighter and attack planes a year is necessary to maintain

at full strength 12 carrier air wings and 3 Marine air wings.

In the Navy shipbuilding program, hearing testimony states, 20 new ships a year must be delivered to maintain the current fleet level of 540 ships.

The bill provides funds for 10 new ships.

It may be that new and improved ships coming into the fleet in the next few years, under procurements funded during previous administrations, would permit an adequate readiness with less than a 540 total, but the projections of the current administration as to Navy shipbuilding would give us a fleet of about 350 ships 10 years from now.

I am not comfortable with that number for a Navy with global responsibilities for sealane access faces with a large and and growing Soviet "blue water" capability.

Adm. Thomas Hayward, the Chief of Naval Operations, testified before our committee on February 13, 1979, and I believe this statement of his deserves repeating—and our pondering:

Our forces are already at an irreducible level when measured against the demands which would be placed on them in war.

Any further significant decline in combatant capability would eat up our existing margin—and given the vagaries inherent in any force balance—could expose us to risks which I do not believe this country wants, or ought to undertake.

That statement is applicable not only to the Navy, but also to our overall state of readiness.

Let us pass this bill, but let us not then relax in satisfaction that we have done all that needs to be done at this time to shore up our defenses for the immediate future, and to build an adequate deterrent against reckless aggression for the balance of this century.

There is more that needs to be done, and we ignore it at disservice to our responsibilities, and at peril to our Nation.

Mr. ADDABBO. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman from New York for yielding.

I take this time for the purpose of engaging in a colloquy with the distinguished chairman of the committee. Section 741 of the bill on page 49 states:

None of the funds appropriated by this Act shall be available for any research involving uninformed or nonvoluntary human beings as experimental subjects.

I was going to propose an amendment to the bill on behalf of myself and the gentleman from California (Mr. MILLER) that would have prohibited use of funds for expenditure for any chemical, biological, or radiological testing that would affect nonconsenting civilian populations. I would ask the chairman if in his view the language in section 741 where it talks about research would include chemical, biological, and radiological testing.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I would be

happy to yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding. I assure the gentleman that it does. All three services have proounded regulations along the line the gentleman has discussed, and that would be covered.

Mr. JOHN L. BURTON. Where it states "involving uninformed or nonvoluntary human beings," that would mean that even if they informed someone that they were going to let deadly nerve gas out in the bay in San Francisco, as long as the people did not volunteer to have such a test placed upon them, the Armed Forces could not do such tests?

Mr. ADDABBO. That is absolutely correct.

Mr. JOHN L. BURTON. I thank the distinguished chairman. Based upon our colloquy, the gentleman from California (Mr. MILLER) and I will not be offering our amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise in general support of H.R. 5359, the Defense appropriations bill for fiscal year 1980.

I say in general support because I expect to vote for the bill and I urge my colleagues to do likewise.

But I do have some reservations about the adequacy of the funds to fully meet our defense needs as well as one or two other matters which may be addressed by amendments which I may support.

As to the adequacy of the funds to meet our needs, my views are contained in the additional views in the report, and I would draw your attention to them.

I have some serious personal reservations that some of the cuts in training, subsistence, personnel programs and in other operations and maintenance areas may be counterproductive.

About \$1.7 billion was deleted from the administration request for O. & M. While I have no particular quarrel with many of the specific cuts, I do feel that a cut of this magnitude removes much of the flexibility of the Secretary of Defense to put money from lower priority programs to high priority needs. In this bill, we have effectively removed most low priority programs, leaving those which are critical to our defense with little or no option for transfers should the need arise.

There are two levels of defense posture. Procurement programs provide us with the planes and ships and tanks which will not come into the inventory for years in some cases. We could well find ourselves in dire circumstances if present trends in procurement continue.

But defense readiness also has to do with having a well-trained ready force, equipped with well maintained equipment. In this area too, we are deficient. The services are experiencing extreme difficulty in recruiting and retaining personnel. Program cuts in training, morale, welfare and recreation programs, and in other personnel programs do not go to the solving of this problem.

Further, cuts in the operation and maintenance accounts impact directly on maintenance of equipment and facilities.

To a great degree, this bill is held hostage to actions of other committees and of the Congress in authorization and budget resolution restrictions. In addition, we are at the mercy of those who prepare the budget and who appear before us in defense of that budget. Time after time, the committee is told the budget under consideration will do the job, and only careful examination of available data raises any question to the contrary.

In this context, the subcommittee chaired by the gentleman from New York (Mr. ADDABBO) has done an outstanding job. The gentleman from Alabama (Mr. EDWARDS) has contributed greatly to the shape of this bill. All other members of the subcommittee deserve our gratitude and our respect for their work.

But I sincerely believe we may be at the point where hard decisions will have to be made regarding the future direction of our Nation's defenses given the dollar constraints we all want to see imposed on all Federal agencies.

As I said, Mr. Chairman, I feel I can support this bill. It represents the best of the considerable wisdom embodied in the Defense Subcommittee. I urge passage of the bill.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding, and I thank him for his kind words. As I said earlier, considering how busy the gentleman is as the ranking minority member of the full Appropriations Committee, he gave much valuable time to our committee, and we are really grateful for his expertise.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding. I certainly agree with what the gentleman has said about the new chairman of the subcommittee, and I would like to thank the members of the subcommittee for their splendid work and especially for looking after the National Guard Reserve. The chairman of the subcommittee would still be a better chairman if he further takes care of the National Guard Reserve.

Mr. CONTE. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

□ 1620

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LEWIS).

Mr. LEWIS. Mr. Chairman, I speak today not as an expert in defense matters even though I have had a long interest in this field since one of my predecessors, Harry Sheppard, worked for so many years in this very area. Rather, I am here today to speak very briefly

about a program—an experience in the process this year that I think should be of interest to the people of this country.

Mr. Chairman, people often talk about our spending quickly and easily hundreds of thousands or millions or in this case billions of dollars without a great deal of thought. There was a program in this budget this year that involved the concept the subcommittee had essentially signed off on and the Army was supporting, relating to a national training center, a program that was designed to establish a training system that would save lives if we ever came to the time again where we had to send our men and women into the battlefield.

Suddenly at markup time we found that money gone. I was a bit disconcerted for in my district the program meant only a minor impact upon the community of Barstow, an increase in population of 18 percent, an increase in primary and secondary jobs of 37 percent, an increase in income of well over one-third.

Mr. Chairman, I wondered about that and upon evaluation we found that excellent work by the subcommittee indicated the State of California had some objections and with that objection the money could not be spent this year. They notified us, worked very carefully with us and in a short time we were able to bring the State, the Army and the U.S. Government together.

Mr. Chairman, I stand here today to praise this subcommittee, its chairman, the gentleman from New York (Mr. ADDABBO) and the ranking member, the gentleman from Alabama (Mr. EDWARDS), and their fine staff for their effective work in evaluating the dollars we are putting to work in national defense. In this case, I want it known that the Army thanks you, the people of Barstow express their appreciation for your cooperation and I certainly appreciate the kind of help I have had this year.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ADDABBO, and by unanimous consent, Mr. LEWIS was allowed to proceed for 1 additional minute.)

Mr. LEWIS. I am pleased to yield to my chairman.

Mr. ADDABBO. I thank the gentleman for yielding.

I wish to commend the gentleman. I know he was very interested in this and it is a very important program. The only reason the committee eliminated it originally in the markup is the fact there had been some question in the State of California about the environmental impact statement, and during our markup we did not want to give the Department of Defense money they would not spend. We were happy that prior to the time the bill came to the floor those problems were eliminated. The State has agreed to the needs of the Defense Department and the valuable national training center will be built. I wish it was in my district but I am happy it is in the gentleman's district.

Mr. EDWARDS of Alabama. Will the gentleman yield, Mr. Chairman?

Mr. LEWIS. Certainly, I yield to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, we felt like we were on the right track in our subcommittee in view of the objections from the State of California. The gentleman in the well got very busy and worked out those problems. He came back with positive answers. It was on that basis we could take the action we took.

I commend the gentleman for his endeavor. It shows that hard work does in fact produce good results and the gentleman has done good work.

Mr. Chairman, I yield 3 minutes to the gentleman from Alabama (Mr. DICKINSON).

Mr. DICKINSON. Mr. Chairman, I will just take this time to engage in a bit of colloquy between myself and the chairman of the committee, as a matter of legislative history here.

There are two or three things we are actively presently engaged in, in conference this very afternoon, that will be impacted by what we do in the appropriations bill. One item has to do with the SES, the surface effect ships.

We are in conference with the Senate. We felt, and I feel very strongly, that we have a sunk cost of about \$400 million in this program. We started off with a hydrofoil program. We built two prototypes. The Navy then abandoned this effort and went forth with a new concept in the SES, the surface effect ship. We have today built two prototypes and we are supposed to build four, with another prototype, instead of 100 ton, a 3,000-ton vessel and we are about 60 percent down the way. We are having a dialog and difference with the Senate now. I wonder if the chairman could advise the House what the Committee on Appropriations did which might give us some guidance on the authorizing committee. What is in this bill now for the surface effect ships? Could the chairman or anyone speak to that?

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will be very pleased to yield to the gentleman from New York.

Mr. ADDABBO. In the bill before the House at the present time there are no funds for the SES. The reason there are no funds is that there are funds from last year, from the 1979 budget that are unspent, and we are waiting to see exactly what the Navy is going to do with that money. If the SES is authorized, they can proceed with it using fiscal year 1979 funds.

Mr. DICKINSON. Mr. Chairman, I thank the chairman.

Let me add to that the Senate not only zeroed but they recaptured the \$40 million carried over from last year. So far as the action of the other body is concerned there is no carryover from last year to which the chairman referred. I am glad to establish this and make it a part of the record because I think this will be helpful for us in our dialog with the Senate not only in recapturing what was done last year but in coming to some solution or conclusion as to what we are going to do this year.

I did not know if the chairman was aware of this but that is the status of that particular line item.

Mr. ADDABBO. We did not use or transfer the fiscal year 1979 funds because we still feel there may be some use for those funds.

Mr. DICKINSON. As a matter of legislative history, also, I wonder if the chairman could tell me—I realize the gentleman from Alabama, the ranking member, alluded to this—what action did the committee take and what is in this bill with regard to a new or a follow-on development of a diesel engine for possible use in the new XM-1 tank or some other use?

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDWARDS of Alabama. I yield 3 additional minutes to the gentleman from Alabama.

Mr. DICKINSON. I yield to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. There are funds in the bill before the House for continuing research on the diesel engine.

Mr. DICKINSON. Mr. Chairman, speaking as a member, but not for the Subcommittee on Research and Development of the authorizing committee, we feel very strongly, I feel very strongly, that we should have a follow-on diesel engine. We are always needing a new state-of-the-art engine in development. Whether we talk about aircraft engines or whether we talk about tanks, we need to continually develop and expand and improve on whatever the state of the art is toward engines.

Mr. Chairman, I would hope that whatever we do will not be at the expense of the proposed turbine engine in the XM-1 tank. I was wondering if the chairman or the ranking member could assure me that the money for the follow-on for diesel will not be in lieu or at the expense of the turbine engine that is contracted for in the XM-1 tank.

Mr. ADDABBO. The additional money, \$14.2 million, is an accepted line item for diesel-engine research.

Mr. DICKINSON. Would the gentleman from Alabama care to add to that or amplify?

Mr. EDWARDS of Alabama. I certainly would agree that the diesel engine in no way is designed to move in and take the place of the turbine. It is there as an engine that is being developed as the backup in case the turbine does not work. It is also there to be used for other things as may be developed from advanced engine technology.

Mr. Chairman, we are all hoping the turbine works, even those of us who were not for the turbine. We hope it works. We have too much invested in it for it not to work. We are doing all we can in fixes and changes in the amounts appropriated to make it work. If it does not, we have to have an alternative engine to move into its place.

Mr. DICKINSON. I agree with that. I think it depends on with whom you talk. My information is—the information I prefer to believe, at least—is that the testing of the turbine engine has been the most rigorous that any engine program has gone through to date and it

has gone through all the wickets, milestones or whatever you care to call it.

□ 1630

They are developing it and they are very pleased with the production. As I recall, AVCO is the manufacturer of the engine, but none of this is now in my district or the gentleman's district. I have no parochial interest. I am just interested in getting a good tank; so I am optimistic about the engine. I think we are doing the prudent thing in developing a new engine as a backup if needed; but I just wanted to establish and make sure that we are not doing it at the expense of the turbine engine.

One other item that I might comment on and develop that I know is of great interest to the gentleman from Alabama, that is the \$25 million for the development of an aircraft engine.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. DICKINSON) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. DICKINSON. I was speaking of the \$25 million that was in this bill that has not been authorized and appropriated for the advanced development of an aircraft engine on which we had a colloquy on the floor, or I did, with the members of the Committee on Armed Services. As I recall, the gentleman from Alabama was down fighting Hurricane Frederick at the time when we went into this matter, but is it the intent of this committee in putting this money in now that they will go forward with an advanced development and a long-term development to prove the durability and maintenance of a new engine?

Mr. EDWARDS of Alabama. Mr. Chairman, if the gentleman will yield, I think we have to do that if we are going to have the next generation of planes and engines married up in a way that will bring about the greatest durability and reliability.

Mr. DICKINSON. Well, I approve the concept. I understand it. I agree with it. I was just a little disappointed to see that it was appropriated before it was authorized; but I am certainly going to support it.

Mr. ADDABBO. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. DICKS), a new member of the subcommittee whose expertise has been a great addition to our subcommittee.

Mr. DICKS. Mr. Chairman, I would like to thank the chairman for his comments.

Mr. Chairman, I just want to pay my respects to the chairman, the gentleman from New York (Mr. ADDABBO) and the ranking minority member, the gentleman from Alabama (Mr. EDWARDS) for having done an outstanding job this year in guiding our subcommittee, and to our very excellent staff. I think the bill that has been reported provides for our national defense. It does not take care of every requirement because we simply do not have the money to take care of every requirement;

but I think it goes a long way toward providing real defense for our country. I think it has been prepared in a very thoughtful way. I commend it to the other Members of the House.

Mr. Chairman, the bill the House is considering today is exceedingly important both in providing for our critical national defense needs and as a major part of our efforts to bring the levels of Federal spending under control. As a member of the Defense Appropriations Subcommittee I have had the opportunity to participate in the process of developing this legislation, and in my judgment it does an excellent job of balancing the two objectives of adequate defense and budget austerity.

The bill provides budget authority of \$129.96 billion for the coming fiscal year, an increase of approximately \$9 billion over the current defense budget. The recommendations of the committee have been developed over 53 days of hearings and a full 5 weeks of markup. There was spirited debate on a number of issues which helped set before us the options available, and aided our determination of what defense capabilities would be actually improved through a given action. The committee's report provides a very thorough analysis of the rationale developed by the committee for its actions.

During consideration of the budget resolution there has been extensive debate over amendments to either increase or decrease defense spending by a set percentage. I want to associate myself with the remarks of the distinguished chairman of the subcommittee when he points out that it is not simply dollars that buy improvements in our national security. Our defense capabilities are increased by wise and prudent application of resources in an efficient manner to real areas of need. Duplication of efforts in research does not give us greater defense. Studying a problem and then re-studying it in order to avoid a difficult decision does not improve our national security. Procurement of a weapons system which is not ready to go into production due to technical problems does not increase our capabilities. While I believe it is certainly proper to attempt to establish spending priorities through the budget process I believe just as strongly that the Appropriations Committee has an essential role in recommending the specifics of where we can realize constructive gains through spending.

This bill incorporates literally hundreds of recommendations for improvement of management in the operation of the Department of Defense. These recommendations are based not only on the committee's own investigations but on analyses developed by the General Accounting Office and audit agencies within the Department of Defense. In our best judgment they will help improve the operation of the Department to more cost-effectively achieve our mission assignments.

Some who call for increases in defense spending point out that we spend better than half the defense budget on opera-

tions and personnel, and not on weapons systems. I am convinced that the investment we make in personnel is the most valuable one we can make. Soldiers who are not adequately trained; extensive turnovers resulting from a recent decline in compensation and benefits in comparison to both the private sector and inflation; and an inability to attract the specialists we need weaken our defense readiness no matter how new and sophisticated our weapons might be. This bill attempts to address some of these factors. For instance it provides for an equalization of scholarships between Defense and HEW medical programs which should aid in attracting critically needed health professionals. It also approves expansion of reenlistment bonuses to promote retention.

Improved management in the operations and maintenance area will help hold down costs and allow us to divert limited defense dollars to more productive personnel and hardware programs. An initiative which the committee recommends in its report is the elimination of personnel ceilings from the Department. The Department operated in this manner in 1973 and 1974 without an unwarranted increase in personnel. The case against ceilings is made in convincing fashion by the Government Accounting Office in its 1977 report "Civilian Personnel Ceilings—A Barrier to Effective Manpower Management." Hopefully the Armed Services and Post Office and Civil Service Committees will follow through on the interest they have shown in this area as well.

A number of recommendations in the bill are designed to reduce instances of duplication within the services. This duplication is all too common in studying common problems and in developing systems, such as communications, that are designed to serve all the services. Duplication not only results in wasted money, it also tends to lessen interoperability between the services and thus decreases readiness.

Controls are provided in the supply operations of the Department. While not particularly glamorous, improvements in the management of shelf life items, inventory control, and greater use of commercial items will improve performance and save money. A particular aspect that I have had some interest in is overpricing of small purchase items.

The committee has discovered cases where items which could be made commercially at low cost are often bought at hundreds of times the price on sole source contracts. This bill will further initiatives to report such items through the use of financial incentives for those in the field who identify overpriced items.

Energy conservation is another area where improvements can and must be made. Increases for fuel costs alone in the budget amendment submitted by the President total nearly \$900 million. By making better use of simulators, by reducing administrative travel, and by converting to lower cost fuels when available, as provided in this bill, we can reduce unneeded energy expenditures.

This bill also includes funding for con-

tinuation of our efforts to improve our conventional warfare capabilities in NATO. Funding is provided for initial procurement of the XM-1 tank pending successful meeting of reliability requirements. The infantry fighting vehicle, battlefield companion to the XM-1 is provided \$225 million for its initial procurement. Budgeted funding for the new F-16 fighter, the Roland air defense system, and the NATO AWAC's program is also provided.

Completion of improvements in our NATO conventional capabilities will require several more years and will require considerable further investment. This bill provides a positive step on the road that avoids the temptation to push systems which are just completing their research and development phases. Past experience has shown that these attempts often result in systems which require far more maintenance than anticipated and which are out of operation more than if defects would have been addressed before procurement began.

The bill recognizes the serious shortfall we face in the area of naval aviation and the uneconomical procurement rates for these aircraft which were included in the President's budget. Thus, we have recommended the addition of over \$700 million in this area to realize long-term savings and eliminate our shortfall in this area more expeditiously.

Research and development funding in the amount of \$180 million for the short takeoff and landing AV-8B, Harrier, is also included despite its absence in the budget. This aircraft is of the highest priority for the Marine Corps and represents the only available vehicle for the further development of V/STOL aircraft for our future naval aviation needs.

Our shipbuilding budget remains an area of special concern for me. This bill provides funding for a nuclear aircraft carrier, an additional strategic Trident submarine, a *Los Angeles* class attack submarine and six *Perry* class frigates among the ships funded.

This bill blocks attempts by the Department to retire 20 naval reserve destroyers and directs the retention of 15 of them through overhaul improvements.

There remains serious question in my mind whether the funds in this area are adequate and I believe that unless the trend of recent revisions in the 5-year plan is reversed, we in the Congress will have to take the initiative in order to insure the adequacy of our naval forces.

In conclusion, Mr. Chairman, I am pleased to have had the opportunity to review this budget in detail. The bill we have reported to the House will provide for our real defense needs in a more efficient manner and I urge support for it by this body.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. TRIBLE).

Mr. TRIBLE. Mr. Chairman, I appreciate the gentleman from Alabama yielding and would take this time to speak about our naval shipbuilding program. More specifically, I want to discuss the nuclear attack submarine procurement program.

The House Defense Authorization Act approved by this House just recently provides for the procurement of two 688 submarines of the *Los Angeles* class in fiscal year 1980. The Defense appropriations bill now before this House provides for just one of these submarines. This fact is a matter of concern to this Member.

The Committee on Armed Services added the additional 688 submarine, on my motion, because of two primary considerations.

First, our national defense strategy requires that we maintain a minimum force level of 90 attack submarines. In order to attain and maintain that minimum force level it will be necessary for the United States to build close to four submarines each year because of the block obsolescence that we face in the 1990's. Unfortunately, the Carter administration asked for only one nuclear attack submarine this year. Unless we procure additional nuclear attack submarines, we simply will not have the submarines our national interests require.

Moreover, it is necessary for us to procure at a minimum two submarines in order to sustain our shipbuilding base. At this time there are two shipyards building nuclear attack submarines. Unless we procure two attack submarines in the next fiscal year, we risk losing the capability to build attack submarines at one of these yards. That would adversely affect our entire shipbuilding program and would dramatically increase costs in the years ahead when we build submarines.

I want to advise my colleagues that the Navy now supports the procurement of two 688 attack submarines in fiscal year 1980. I would like to quote in pertinent part from a memorandum from James Woolsey, the Acting Secretary of the Navy, dated September 17, 1979, to the Secretary of Defense, which states:

I recommend that the Department of Defense formally support the congressional initiative to add a second SSN in 1980. This action will assist the Navy in complying with your direction to maintain two nuclear submarine shipbuilding sources. Even with this program only marginal capability and minimum competition can be maintained.

This issue is now being addressed by the House and Senate conferees on the Defense Authorization Act. The outcome of that debate will obviously influence the final disposition of this matter in the appropriations legislation now before the House.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. TRIBLE) has expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 2 additional minutes to the gentleman from Virginia.

Mr. TRIBLE. Mr. Chairman, I bring this matter to the attention of my colleagues on the Committee on Appropriations because I want them to carefully consider the procurement program of nuclear attack submarines and the consequences to our national defense if we fail to procure an adequate number of attack submarines.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. TRIBLE. I would be happy to yield.

Mr. EDWARDS of Alabama. Mr. Chairman, I think we are all concerned about seeing that the submarines are built. We are concerned about seeing the shipyards in this country active and healthy. We have lost shipyards over the years as the program has waivered from peaks and valleys. We have lost shipyard workers and when we get a program going again we have to train workers again so I think it would be most unfortunate if we found one of our two yards capable of building these ships no longer in business, in this type of business.

The committee has tried to fund these submarines as requested. We await with interest the outcome of the conference between the two Armed Services Committees as to whether you authorize one or two.

I think that should the conference come out with two authorized, then we would be in a position to consider that when we go to conference with the Senate on this bill.

We also know that we are looking very hard at a smaller submarine than the 688. It is anticipated, although there is nothing set in concrete by a long shot, that in about 1983 we could start to build these smaller submarines. As far as I understand, we still intend to complete the buy on the 688, but it would have some impact on the scheduling of both the 688 and the new submarine.

The CHAIRMAN. The time of the gentleman from Virginia (Mr. TRIBLE) has again expired.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 1 additional minute to the gentleman.

Mr. Chairman, if the gentleman will yield further, we have all that I think to consider. Of course, we have to consider in that equation the impact on the question of two yards building these submarines. I think that is basically the committee's opinion or position on this.

I appreciate the gentleman bringing it to the attention of the House.

Mr. TRIBLE. Well, I appreciate the gentleman's comments. I think this matter should be of great concern to every Member of this body. Not only is our shipbuilding base imperiled, but most importantly, we are simply not procuring the number of ships our national interests require. And purchasing one nuclear attack submarine per year, awaiting the completion of a study now underway which may implement different nuclear attack submarine options or may not, simply is not in our national interests. We must build those ships today. If we are going to attain and maintain a minimum force level of 90 nuclear attack submarines we need to build more boats today.

□ 1640

Mr. ADDABBO. Mr. Chairman, I yield such time as he may consume to the chairman of the full committee, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I take this time for a number of reasons, but I want to start off by saying that I truly appreciate the fine job that has been done by the chairman and the members of this subcommittee. It has been my privilege to work with them for many, many years. I appreciate their work because my own experience goes back a long way on this subcommittee dealing with defense. I recall, in meeting with the recent Commandant of the Marine Corps, General Wilson, I told him that I went back as far as the time when we had a budget for the Marine Corps and they turned back money from the Marine Corps to the Government.

I take the floor here to say that defense is as vital now as it ever was. But real defense is what we need because what we have to spend on defense, as essential as it is, is a drag on the economic well-being of this country.

I hate to see the press and many people in public office approach this matter of defense on the basis of which country is spending the most money, the United States or Russia, and which country is spending the most or the bigger part of its gross national product on defense, this country or Russia. To me that is completely opposite to what we should be talking about.

It is not how much money we spend on defense, it is how much defense we get for our money. I could go on about this subject because back through the years I have had research done on this matter on various occasions. At one time we got the word they had to take a gun off a ship so an admiral could carry an additional car.

I could go into that type of thing, but I will not do it here because the details of those things are not as important as getting into the real crux of this matter.

I think I should say when I take the floor here that I served on this subcommittee during World War II when we were engaged in practically all theaters, and I have learned there is one thing we need to keep in mind. I say this not just because of the importance of this subcommittee and the fine job the members have done in trying to hold things in line but because there have been some public statements made about how to get the Office of Management and Budget and the President to spend more money on defense.

I read where they said now that we have to spend more for weapons. I see where some have said we have got to have this for that purpose and we have got to have that for another purpose, and then we figure it up and find out what the cost is. We know what these things cost.

My colleague, the gentleman from Mississippi (Mr. MONTGOMERY), is very much interested in the Guard and the Reserve. So am I. I feel that in the future we are going to have to do something in the way of changing things to make military service have an appeal to the youngsters of this country. I know that the members of the subcommittee found that we have consistently had to reduce the educa-

tional requirements in an effort to try to get people to join the service. We have had to raise the pay, in competition with industry, trying to get people to join the service. We have gradually had to reduce the number of people so it would not show how few people we had.

Speaking for myself, I think the volunteer Army has failed, but by the same token, I feel this is not the time, with some of our foreign policy, that we can take forward steps there.

But the thought I want to leave the Members with for the record here is that anyone who studies this subject will realize that the one thing we have to have to support defense is a sound economy behind us. I would like to say that the record shows that since 1967 the value of the dollar has gone down 50 percent. Fifty-eight percent of the laws we have on the books have got built-in escalation clauses so if inflation goes up, the inflation is added to offset it for the military, so we double the rate of inflation.

So as fine a job as the gentleman from New York (Mr. ADDABBO) has done as subcommittee chairman—and I think he has done an excellent job along with the members of the subcommittee—I want to point out for the record again that our defense spending is one thing and our defense capability is another.

Before I finish, I would like to say that I have always supported the B-1 bomber. I think it is a whole lot better when we have control and can send a man along to show our strength and bring the bomber back instead of turning a missile loose and knowing it cannot be recalled.

I have supported—and I know the subcommittee has—more nuclear submarines. Let me tell the Members why. I was in Finland when the Russians were sending a lot of naval ships there, and when they did that, we would see a whole lot of straightening up in Sweden; we would see a lot of straightening up in that part of the world.

I want us to strengthen ourselves and use those things we can afford to use. I have supported research in new weapons, and the committee has done a good job in this area. But I say we ought to buy only those things we can use, because no one but a crazy man would use some of the exotic weapons we have today.

Mr. Chairman, I want to commend the subcommittee for the fine job the Members have done in getting as much defense as possible for our dollar. I want to say something about the approach we read about in the paper, because some of my colleagues say we have got to spend more money on the Guard and the Reserve, and the Joint Chiefs of Staff have said before the subcommittee that we have to spend more money on defense. We have to have them tell us what we need for defense, and we will find the money.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague, the chairman of the subcommittee.

Mr. ADDABBO. Mr. Chairman, I think

we should point out, as the gentleman has said, that he served as a member of the defense subcommittee and is now the chairman of the full committee, and again we see his great expertise in this area. The gentleman in the well is one of the senior experts of the House on defense questions and defense problems.

The gentleman from Mississippi has had 25 years of knowledge and experience, and his expertise is welcome in our subcommittee. I thank the gentleman for all the time and advice he has given to our subcommittee.

Mr. WHITTEN. Mr. Chairman, I appreciate the statement the gentleman from New York (Mr. ADDABBO) has made, and I want to say to the country that the gentleman from New York (Mr. ADDABBO) has proven to be a very excellent chairman of this subcommittee.

I want to repeat again that we in this country, with the problems we see in connection with money and with our economy, are going to have to be awfully sure we get real defense for the dollars we spend. Our defense needs are not just getting and spending dollars.

One of the things that disturbs me is that although it used to be a great, great thing for folks to be in the intelligence services, with the Central Intelligence Agency for instance, now a man would be almost afraid to volunteer for service in the Central Intelligence Agency or any other such agency. We can imagine requiring a man to forfeit his life before he gives up secrets that might damage his country and then be dragged around later because of something somebody said.

We are in a terrible condition insofar as public support for very essential activities is concerned.

Too often defense spending has been for the purpose of keeping the economy going.

But the situation is such that we had better start giving thought to the defense of this country, and in what area we need to give attention to the Guard and the Reserve.

I want the Members to think about this: In Russia the military makes some contribution to the economy of the country. I have seen Russian troops building telephone lines, building highways, and doing such things that are essential to the country. We are not going to do that for a variety of reasons. But the Guard and the Reserve are at that place where, if we give them first rate equipment and train them, they can use that equipment in their towns and in their communities, and people would want to be in the Guard or in the Reserve. We do not do that.

Mr. Chairman, I want to say again that if it had not been for Members of this Congress, we would not have a Guard or a Reserve or an opportunity for enlistments in the regular service. That is my decided opinion. Over the years the Congress has made it possible for the military to encourage enlistment in the Guard and the Reserve and in the regular service.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I thank the gentleman for yielding.

I would like to endorse the statement the gentleman from Mississippi (Mr. WHITTEN) made dealing with our intelligence community.

Just last week, or perhaps it was 2 weeks ago, we were given a briefing by the Director of the CIA, Adm. Stansfield Turner, and some of the members of the subcommittee were taking him to task and asking, "Why didn't we have better intelligence as to the presence of Russian troops in Cuba? Why didn't we know more about it?" And so forth.

Admiral Turner's answer was in effect what the gentleman from Mississippi has just alluded to. He said that we cannot maintain the integrity or we cannot assure the secrecy due to the leaks from the committee, whether it be from sources within the House, within the Senate, or within the media community itself, nor can we attract people to give human intelligence rather than intelligence from some satellite or photograph, and so forth, because they do not have the respect for or the confidence in the intelligence community that they once had.

People are afraid, if they ever do sign up to work for the FBI, the CIA, or some other intelligence agency, that their cover is going to be blown. Their whole attitude in our intelligence community is that people do not want to be associated with it; they are afraid of it.

So, Mr. Chairman, I think the chairman of the Committee on Appropriations is entirely correct, and I think some in the other body have done a great deal toward discrediting and tearing down the apparatus itself. It is time we turned this thing around and started taking pride in and offering assurance and support to our intelligence community, which is an integral part of our national security.

Mr. Chairman, I thank the gentleman for yielding.

□ 1650

Mr. WHITTEN. Mr. Chairman, I appreciate the gentleman's statement.

May I say, in defense of the general statement I have made here, I could give the Members book after book where I have developed all of these facts over the years in hearings to support the views that I have. Can the Members imagine—and I will leave this with you—this country getting into such a ridiculous situation that the Marine Corps had to file an environmental impact statement before it could have maneuvers in Alaska? That is the situation we have in this country right now.

Mr. ADDABBO. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, I want to take the opportunity of coming before my colleagues at this time because I am very disturbed over personal experiences that I have just had dealing with the U.S. Army troops in Europe in our NATO command. I felt, Mr. Chairman—

and this is the Appropriations Committee we are talking about—when I came back from Europe in the early part of September that the problem perhaps really lay here in the Congress, that we were not making the proper kind of appropriations to support our troops in Europe, our combat troops in Europe.

Frankly, I am not sure at this time as to where the particular problem lies. In Europe I went along the border in East Germany that happened to be the exact same area that I had American troops in World War II when I had the first American troops that faced the Russians in that same exact location that they are in today. There is no question that when my troops were facing the Russians in 1945, they were far more prepared, obviously, to do combat than the troops that are there today. That is very understandable. But my problem is that the troops that I saw there today are troops that, under any stretch of the imagination, are not combat-ready troops, even though that is what they are indicated to be.

Mr. Chairman, those troops fire in live ammunition the artillery and their tank weapons twice a year. I found tank drivers and gunners who had not fired live ammunition in over 10 months. I found forward observers who in over a year had not observed live ammunition. These are the men who happened to be right on the so-called front line of the American defenses in that section.

I found that the situation that existed when I met with the general staff there and the generals in charge of training for all of the European forces, American European forces in NATO, at first they were saying that: First, they had inadequate supplies of ammunition; and, second, they recognized that they had inadequate lands to work on and areas to train in.

It just seems to me that it is going to fall on this Congress and on this Government to do something about these men that we have in those frontlines. The whole object of training in the infantry where I served was to provide the type of training that would see the man through the first day of combat. From then on, presumably, he knew how to survive. I am saying, Mr. Chairman, that these men today do not know enough how to survive, which is my concern, and I want to feel very sure that it is not because of action that we are taking on this appropriation bill that can in any way be attached to that particular problem.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman bringing these facts to the attention of the committee. The subcommittee also has been over that part of Europe and has met with the people in the field, and we have discussed the matter in full with the Department of Defense.

This bill before the Congress today adequately supplies the money for training and for ammunition. As a matter of

fact, we have just had to increase money for storage of ammunition. We have so much ammunition here and we are producing more. So there is sufficient ammunition but insufficient storage facilities. So far as training grounds are concerned, yes, our host nations—not us or our Government—have restricted training areas. So we are carefully looking at that. The Members heard earlier this afternoon we are creating a national training center so realistic conditions can be created here, so that where we are deprived by our host nations from training areas, we will be doing that extra training here. So there are funds within this appropriation bill to give us adequate training and the ammunition that is needed.

Mr. PEYSER. I appreciate the statement of the chairman, and I do feel that it is going to fall on the Congress and the members of the appropriate committee and interested Members to stay on top of this particular situation and see what is happening with our Armed Forces.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield 1 minute to the gentleman from Maryland (Mr. BAUMAN).

(By unanimous consent, Mr. BAUMAN was allowed to speak out of order.)

I HATE TO SAY I TOLD YOU SO

Mr. BAUMAN. Mr. Chairman, I take this time simply to inform my colleagues of the House of some information that I have just obtained from Panama. It appears that the celebration on October 1, which is planned by the Panamanian Government, at which time hundreds of thousands of Panamanians have been invited to march into the Canal Zone to celebrate the end of American sovereignty, will have a new star amongst its ranks if he accepts the invitation. I have just been informed that Gen. Omar Torrijos, the dictator and true ruler of Panama, has invited Fidel Castro, the Communist ruler of Cuba, to join him, along with Vice President MONDALE and many others who may be there for the celebration. Some of us warned you.

Mr. EDWARDS of Alabama. Mr. Chairman, I have no further requests for time.

Mr. ADDABBO. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; \$9,668,294,000.

AMENDMENTS OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered as read and considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. DICKINSON: On page 2, line 10, delete "\$9,668,294,000", and insert in lieu thereof "\$9,669,894,000".

On page 2, line 18, delete "\$6,809,305,000", and insert in lieu thereof "\$6,801,705,000".

On page 3, line 2, delete "\$2,093,100,000", and insert in lieu thereof "\$2,092,500,000".

On page 7, line 10, delete "\$9,781,832,000", and insert in lieu thereof "\$9,799,832,000".

On page 7, line 21, delete "\$13,134,875,000", and insert in lieu thereof "\$13,123,575,000".

On page 15, line 1, delete "\$982,837,000", and insert in lieu thereof "\$983,537,000".

On page 57, strike lines 8 through 11, and renumber all subsequent sections accordingly.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ADDABBO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5359) making appropriations for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes, had come to no resolution thereon.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1603

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 1603.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE COSTS OF FEDERAL REGULATIONS

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WATKINS. Mr. Speaker, I rise today to talk about Federal regulations and our duty to our constituents. The two go hand in hand because no day goes by that our constituents—every one of them—are not affected by Federal regulations.

Regulations have gotten completely out of hand. Congress passes the laws and the bureaucrats write the rules and regulations to carry out those laws—and Mr. Speaker, there are times the two look like night and day.

I am submitting as a part of my statement today a brief summary of findings resulting from some of the studies that have been done on the costs of Federal regulations, but I think some of those costs are worth mentioning here.

The Washington University Center for the Study of American Business has submitted the most frightening figures I have seen to date. The center estimates the aggregate cost of Federal regulations for fiscal year 1979 may come to more than \$100 billion. That is almost \$500 for every person in the United States or \$2,000 for a family of four.

And the Federal Paperwork Commission estimated that 1 year's worth of Government documents would fill 11 new Washington monuments. Both of those figures, Mr. Speaker, are almost beyond belief—and Congress cannot say its hands are clean in this matter.

Congress should be reviewing each rule and regulation proposed by an agency to carry out a law. We owe it to the people to make sure the agencies follow congressional intent when rules are handed down to implement laws because in effect, those rules are the law.

Another figure worth mentioning at this point comes from the Congressional Budget Office, which estimated earlier this year that it would be possible for both the House and Senate to review rules and regulations proposed by Federal agencies for \$2 million in the coming fiscal year. Comparing \$2 million to an estimate of \$100 billion is like comparing a spring breeze to an Oklahoma tornado.

As you know, Mr. Speaker, many Members of this legislative body are concerned about the growth of Federal regulations and the staggering costs involved. The concern is worth our time and our work. My personal concern is the reason for the constitutional amendment that I introduced yesterday.

My proposal says Congress "shall review" each rule and regulation issued to implement a law "before the rule or regulation becomes effective." The proposed constitutional amendment further provides that Congress "may approve, modify or disapprove" proposed agency rules and regulations.

Congress is accountable to the people; Congress was elected by the people; it is our duty to see that the laws passed by Congress are carried out appropriately. We should not leave any of our duty to the bureaucrats.

Mr. Speaker, I hope you and my other colleagues in the House will join me in this effort. It is well worth our time.

COST OF GOVERNMENT REGULATIONS AND PAPERWORK

Various groups have taken a look at the amount of Federal paperwork done for whatever the reason. The estimates often vary, depending on which agencies were studied. There also is a problem in trying to determine exact figures. Listed below, however, are a few of the most quoted studies:

The Federal Paperwork Commission has estimated that 1 year's worth of Government documents would fill 11 new Washington monuments or 51 major league stadiums. The Government spends almost \$20 billion a year just to print, process and store its own forms. Included are 4,400 different Federal forms that businessmen must fill out

each year—or a total of 10 billion sheets of paper requiring more than 143 million man-hours.

The Office of Management and Budget estimates businesses spend 787 million man-hours each year filling out reports for the Federal Government at an estimated annual cost of \$11.5 billion. The Paperwork Commission estimated the cost at \$25 billion, however.

The General Accounting Office also has studied the paperwork problem, although the study could not deal with 78 percent of Federal reporting requirements because they are not subject to GAO or OMB clearance. Even with that limitation, GAO found the remaining 22 percent cost U.S. businesses 69 million hours a year and at least \$1 billion. GAO said the Federal Communications Commission is the "burden" champion with four reports requiring from 2,000 to 5,772 hours to complete.

The most frightening figures come from the Washington University Center of the Study of American Business, which found the aggregate cost of Federal regulation for fiscal year 1979 may come to more than \$100 billion—or almost \$500 for each person in the United States or almost \$2,000 for a family of four.

According to center studies: The cost of operating Federal regulatory agencies is rising more rapidly than the Federal budget as a whole, the gross national product or the population. Outlays are showing a growth of 115 percent over the last 5-year period.

Federally mandated safety and environmental features increased the price of the average passenger car by \$666 in 1978 or an aggregate of \$10 billion.

Regulatory requirements at all levels of government added an average of \$2,000 to the cost of a new house in 1977, resulting in an aggregate cost to new homeowners of \$4 billion.

Approximately \$10 billion of new private capital spending each year is going to meet governmentally mandated environmental, safety and similar regulations, which has resulted in a loss of about one-fourth (25 percent) of the potential annual increase in productivity.

The center says, "the 1970's has been a period of growth in regulation unsurpassed since the New Deal 1930's," and adds that regulations cut across all industries. Fifty-five separate independent agencies and organizations within executive departments administer Federal regulations. Overall current regulatory expenditures are nearly six times the 1970 level of expenditures and current staffing for regulatory activities is nearly three times the 1970 level.

On the other side of the coin, the Congressional Budget Office estimated in June of this year that it would be possible for both the House and Senate to review proposed rules and regulations for \$2 million in the coming fiscal year, assuming 4,000 proposed rules a year and 1 to 2 staff days per rule for review.

□ 1020

MIDDLE EAST SITUATION REQUIRES DELICATE HANDLING

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, it is sometimes difficult to tell whether the news media is having a love affair with an individual or that the individual has a love affair with the media.

I am making reference to an individual who has presumed to interject himself into foreign policy decisions of this Nation, who has gone to the Middle East and has called the Israeli Prime Minister a racist. He has not been elected by anyone to do this, nor is he an official of the U.S. Government.

It seems to me when there is a very sensitive, delicate balance in peace in the Middle East that self-serving persons should not voluntarily, gratuitously interject themselves.

I would suggest that the Justice Department, if they have the guts to do so, examine this condition as it relates to the Logan Act, a copy of which is quoted from title 18, United States Code, section 953, as well as the history of the act.

§ 953. Private correspondence with foreign governments

Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct or any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined not more than \$5,000 or imprisoned not more than three years, or both.

This section shall not abridge the right of a citizen to apply, himself or his agent, to any foreign government or the agents thereof for redress of any injury which he may have sustained from such government or any of its agents or subjects.

(June 25, 1948, ch. 645, 62 Stat. 744.)

THE LOGAN ACT

When in 1798 a Philadelphia Quaker named Logan went to Paris on his own to undertake a negotiation with the French Government with a view to averting war between France and the United States, his enterprise stimulated Congress to pass "An Act to Prevent Usurpation of Executive Functions,"³ which, "more honored in the breach than the observance," still survives on the statute books.⁴ The year following John Marshall, then a Member of the House of Representatives, defended President John Adams for delivering a fugitive from justice to Great Britain under the 27th article of the Jay Treaty, instead of leaving the business to the courts. He said: "The President is the sole organ of the nation in its external relations,

³ This measure is now contained in 18 U.S.C. § 953.

⁴ See *Memorandum on the History and Scope of the Law Prohibiting Correspondence with a Foreign Government*, S. Doc. No. 696, 64th Congress, 2d Sess. (1917). The author was Mr. Charles Warren, then Assistant Attorney General. Further details concerning the observance of the "Logan Act" are given in E. Corwin, *The President: Office and Powers, 1787-1957* (New York: 4th ed. 1957), 183-184, 430-431.

and its sole representative with foreign nations. Of consequence, the demand of a foreign nation can only be made on him. He possesses the whole Executive power. He holds and directs the force of the nation. Of consequence, any act to be performed by the force of the nation is to be performed through him."⁵ Ninety-nine years later a Senate Foreign Relations Committee took occasion to reiterate Marshall's doctrine with elaboration.⁶

□ 1700

ENERGY MOBILIZATION BOARD—MAJOR ENERGY-RELATED FIRMS OPPOSE SUBSTANTIVE WAIVER POWERS

The SPEAKER pro tempore (Mr. MURTHA). Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH) is recognized for 5 minutes. ● Mr. WIRTH. Mr. Speaker, the breadth of the powers accorded to the proposed Energy Mobilization Board under legislation recently reported by the Commerce Committee, is a matter of growing concern not only to many of my colleagues, but also to a wide variety of groups outside the Congress. Last week, an important statement of opposition to the Energy Mobilization Board's proposed authority to waive substantive State and local laws came from a quarter I imagine many will find surprising.

On September 21, the Western Regional Council, a confederation of 43 firms engaged in energy-related businesses, announced its opposition to legislation which would authorize the Board to override substantive provisions of State and local statutes. A number of these firms are directly involved in the development and commercialization of new energy technologies. They, along with other energy firms I have consulted recognize the fundamental dangers of allowing five appointed men and women to exercise virtually unlimited power in energy decisionmaking.

The Western Energy Council is composed of the following firms:

Amax, Inc. Climax Molybdenum
Amoco Production Co.
Anacosta Co.
Arizona Public Service Co.
Cities Service Co.
Colorado Interstate Gas Co.
Colorado National Bank
Denver & Rio Grande Western R.R. Co.
Envirotech
Ernst & Ernst
First National Bank in Albuquerque
First National Bank of Denver
Hobbs Pipe & Supply Co.
Homestake Mining Co.
Husky Oil Corporation
Idaho Power Company
Ideal Basic Industries
IML Freight, Inc.
Inspiration Consolidated Copper Co.
Johns-Manville Corporation
Kemmerer Coal Co.
Kennecott Copper Corp.
Montana Power Co.
Morrison-Knudson Co., Inc.
Mountain Bell
Mountain Fuel Supply Co.
Nevada Power Co.
Northwest Energy Co.

⁵ 10 *Annals of Congress* 596, 613-614 (1800).

⁶ S. Doc. No. 56, 54th Congress, 2d Sess. (1897).

Occidental Oil Shale
Phelps Dodge Corporation.
Public Service Co. of Colorado
Public Service Co. of New Mexico
Calvin L. Rampton
Rocky Mountain Energy Co.
Sierra Pacific Power Co.
Snowbird Corporation
True Drilling Co.
United Bank of Denver
Utah Power & Light Co.
Valley National Bank
Westmoreland Coal Co. ●

LEGISLATIVE PROGRAM

(Mr. EDWARDS of Alabama asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS of Alabama. Mr. Speaker, I ask for this time for the purpose of inquiring of the gentleman from Illinois (Mr. ROSTENKOWSKI) the program for the balance of the week.

Mr. ROSTENKOWSKI. If the gentleman will yield, the program is as follows:

On Thursday we will consider the House concurrent resolution, the second budget resolution for fiscal year 1980; a conference report on the Department of Education Authorization Act; we will then return to H.R. 5359, the defense appropriations, and complete consideration on that.

There is also the possibility of H.R. 2795, the International Travel Act authorizations, with votes on amendments and conclusion of the bill; and H.R. 3642, emergency medical services reauthorizations, with votes on amendments and on the bill.

Mr. EDWARDS of Alabama. I did not hear the gentleman mention the FEC authorization bill. Is it not on this week?

Mr. ROSTENKOWSKI. The gentleman did not mention the FEC authorization bill; therefore, that is why the gentleman from Alabama did not hear it.

Mr. EDWARDS of Alabama. I thank the gentleman for clearing that up. I was afraid I was hard of hearing there for a minute.

Mr. ROSTENKOWSKI. As of this moment, it is not being considered by the leadership to be on the floor this week.

Mr. EDWARDS of Alabama. I thank the gentleman.

LEAVE OF ABSENCE

(By unanimous consent, leave of absence was granted as follows to:)

Mr. ROBINO (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Ms. HOLTZMAN (at the request of Mr. WRIGHT), for today, on account of illness.

Mr. NOLAN (at the request of Mr. WRIGHT), after 1:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BURLISON), to revise and

extend their remarks and to include ex-36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

Mr. WIRTH, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. WEAVER, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MILLER of Ohio, and to include extraneous material, on the conference report on H.R. 4393 in the House today.

Mr. BAUMAN, immediately after the vote on the conference report on H.R. 111, Panama Canal Act of 1979.

(The following Members (at the request of Mr. LIVINGSTON) and to include extraneous matter:)

Mr. YOUNG of Alaska in two instances.
Mr. MAVROULES.
Mr. FRENZEL in five instances.
Mr. PAUL.
Mr. ERLBORN.
Mr. RITTER.
Mr. MICHEL.
Mr. DANIEL B. CRANE.
Mr. ROUSSELOT.
Mr. SYMMS.
Mr. FINDLEY.
Mr. KEMP.
Mr. GREEN.
Mr. CORCORAN.

(The following Members (at the request of Mr. BURLISON) and to include extraneous matter:)

Mr. MAVROULES.
Mr. MURPHY of New York.
Mr. EDGAR.
Mr. HAMILTON in three instances.
Mr. STEWART.
Mr. FITHIAN.
Mrs. BOGGS.
Mr. MAGUIRE.
Mr. MICA in five instances.
Mr. LONG of Maryland.
Mr. HANCE.
Mr. SIMON in four instances.
Mr. PEYSER.

ADJOURNMENT

Mr. BURLISON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p.m.), the House adjourned until tomorrow, Thursday, September 27, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2520. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to establish an improved program for extra long staple cotton; to the Committee on Agriculture.

2521. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for major defense equipment sold commercially to Malaysia (transmittal No. MC-26-79), pursuant to section

2522. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development, pursuant to section 301(e)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2523. A letter from the General Counsel and the Chairman of the National Labor Relations Board, transmitting notice of a proposed amendment to the Board's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2524. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of \$16,504.30 in royalty payments to Aminol USA, Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953, as amended; to the Committee on Interior and Insular Affairs.

2525. A letter from the Chairman, Securities and Exchange Commission, transmitting the annual report of the Commission for fiscal year 1978; to the Committee on Interstate and Foreign Commerce.

2526. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of June 1979, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2) (A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

2527. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting the annual report of the Immigration and Naturalization Service for fiscal year 1977; to the Committee on the Judiciary.

2528. A letter from the General Counsel of the Navy, transmitting a report on the investigation of allegations of discrimination at the Naval Regional Contracting Office, Long Beach, Calif., pursuant to 5 U.S.C. 1206 (b) (5) (A); to the Committee on Post Office and Civil Service.

2529. A letter from the Comptroller General of the United States, transmitting a report recommending that after assigning on-base housing on the basis of military necessity, such housing be assigned based on need (CED-79-92, September 25, 1979); jointly, to the Committees on Government Operations and Armed Services.

2530. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the United Nations financial management (ID-79-56, September 24, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 3949. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire manufacturers, in certain circumstances, to provide public notice of tire defects; with amendment (Report No. 96-480). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS. Committee of conference. Conference report on H.R. 3996 (Rept. No. 96-481). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILIP M. CRANE:

H.R. 5406. A bill to amend the Fishery Conservation and Management Act of 1976 to prohibit the trapping of certain fish, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DOUGHERTY (for himself, Mr. DERWINSKI, and Mr. MURTHA):

H.R. 5407. A bill authorizing continuing appropriations for the Lithuania Legation; to the Committee on Foreign Affairs.

By Mr. MADIGAN (for himself, Mr. SEBELIUS, Mr. DUNCAN of Tennessee,

Mr. TRAXLER, Mrs. HECKLER, Mr. JACOBS, Mr. MOORE, Mr. COELHO, Mr. BROYHILL, Mr. JOHNSON of Colorado, Mr. ANDREWS of North Dakota, Mr. RAILSBACK, Mr. O'BRIEN, Mr. CORCORAN, Mr. LOTT, Mr. COLEMAN, Mr. WHITTAKER, Mr. MARLENEE, Mr. HOPKINS, Mr. ERDAHL, Mr. SOLOMON, Mr. GRASSLEY, Mr. FINDLEY, and Mr. NOLAN):

H.R. 5408. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Ways and Means.

By Ms. MIKULSKI:

H.R. 5409. A bill to amend the Internal Revenue Code of 1954 to provide that the standard mileage rate for use of a passenger automobile which may be used in computing the charitable contribution deduction shall be the same as the standard mileage rate which may be used in computing the business expense deduction; to the Committee on Ways and Means.

By Mrs. SPELLMAN:

H.R. 5410. A bill to amend title 5, United States Code, to require any Federal employee who elects at the time of retirement not to provide survivorship benefits for the employee's spouse to notify (or take all reasonable steps to notify) the spouse of that election; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself, Mr. BROYHILL, Mr. DINGELL, and Mr. SCHUEYER) (by request):

H.R. 5411. A bill to authorize the funding of fuel economy technology assessment programs; to the Committee on Interstate and Foreign Commerce.

By Mr. STEWART:

H.R. 5412. A bill to amend the Comprehensive Employment and Training Act to make certain extensions in the period of eligibility for public-service employment; to the Committee on Education and Labor.

By Mr. STOCKMAN (for himself, Mr. GRAMM, Mr. KEMP, Mr. LOEFFLER, Mr. DERWINSKI, Mr. WHITEHURST, Mr. STANGELAND, Mr. QUAYLE, Mr. FRENZEL, Mr. PHILIP M. CRANE, Mr. COLLINS of Texas, Mr. DEVINE, Mr. LEE, Mr. ROTH, Mr. GINGRICH, Mr. SPENCE, Mr. LOTT, Mr. DAVIS of Michigan, Mr. SAWYER, Mr. VANDER JAGT, and Mr. MOORE):

H.R. 5413. A bill to amend certain Federal regulatory statutes affecting automobiles in order to reduce the cost to the consumer of achieving the goals established in such statutes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. VENTO:

H.R. 5414. A bill to amend title XVI of the Social Security Act to eliminate the provisions which presently attribute the income and resources of parents to their children for purposes of determining the eligibility of such children for SSI benefits; to the Committee on Ways and Means.

By Mr. CHARLES WILSON of Texas: H.R. 5415. A bill to provide that aliens employed in the United States shall not be entitled to vote in certain elections conducted among members of labor organizations unless such aliens have been naturalized as citizens of the United States; jointly, to the Committees on Education and Labor and Interstate and Foreign Commerce.

By Mr. YOUNG of Alaska (for himself, Mr. TREEN, Mr. BIAGGI, Mr. LENT, Mr. JEFFORDS, Mr. WHITEHURST, Mr. SYMMS, and Mr. LOTT):

H.R. 5416. A bill to promote the transfer of various fisheries technologies and techniques, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HANSEN (for himself and Mr. SYMMS):

H.R. 5417. A bill to exempt the Milner Dam from certain requirements of the Federal Power Act (16 U.S.C. 807), and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILLIP BURTON:

H. Con. Res. 191. Concurrent resolution to authorize the Secretary of the Interior to provide for the commemoration of the efforts of Goodloe Byron to protect the Appalachian Trail; to the Committee on Interior and Insular Affairs.

By Mr. BROOKS (by request):

H. Res. 428. Resolution to disapprove Reorganization Plan No. 3, transmitted by the President on September 25, 1979; to the Committee on Government Operations.

By Ms. FERRARO:

H. Res. 429. Resolution commending Pope John Paul II, and welcoming him to the United States; to the Committee on Foreign Affairs.

By Mr. MURPHY of New York:

H. Res. 430. Resolution to provide for the further expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS Under clause 1 of rule XXII,

Mr. MITCHELL of New York presented a bill (H.R. 5418) for the relief of Rev.

Anthony Petel, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 810: Mr. LOTT.
H.R. 1000: Mr. PAUL.
H.R. 2279: Mr. HANSEN, Mr. CONTE, and Mr. SAWYER.

H.R. 2997: Mr. COLEMAN and Mr. SOLARZ.
H.R. 3614: Mr. COUGHLIN and Mr. ROSTENKOWSKI.

H.R. 3981: Mr. BRINKLEY.

H.R. 4646: Mr. AKAKA, Mr. ALEXANDER, Mr. APPLEGATE, Mr. BEVILL, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. DASCHLE, Mr. FLIPPO, Mr. FOWLER, Mr. GINN, Mr. GUARINI, Mr. HEFNER, Mr. HINSON, Mr. HOLLAND, Mr. LEDERER, Mr. LEHMAN, Mr. MAZZOLI, Mr. NELSON, Mr. NICHOLS, Mr. PEPPER, Mr. PRICE, Mr. RAHALL, Mr. SHUSTER, Mr. EMERY, Mr. JONES of Tennessee, Mr. ANTHONY, and Mr. KOGOVSEK.

H.R. 4943: Mr. HUGHES.
H.R. 4970: Mr. FITHIAN and Mr. FORD of Tennessee.

H.R. 5048: Mr. BUTLER, Mr. DAN DANIEL, Mr. FISHER, Mr. TRIBLE, Mr. WHITEHURST, Mr. PHILLIP BURTON, Mr. CARR, Mr. DOWNEY, Mr. GIBBONS, Mr. MAGUIRE, Mr. OTTINGER, Mr. REGULA, Mr. RODINO, Mr. SEIBERLING, Mr. SOLARZ, Mr. STARK, Mr. UDALL, Mr. WON PAT, Mrs. SPELLMAN, and Mr. EDWARDS of Oklahoma.

H.R. 5114: Mr. SHUMWAY, Mr. BADHAM, Mr. LENT, and Ms. FERRARO.

H.R. 5182: Mrs. BYRON, Mr. FISHER, and Mr. FAUNTROY.

H.R. 5308: Mr. CORCORAN, Mr. FINDLEY, Mr. SOLOMON, Mr. TAUKE, Mr. VOLKMER, Mrs. BOUQUARD, Mr. CLEVELAND, Mr. CHENEY, and Mr. NEAL.

H.R. 5330: Mr. LOTT and Mr. BURGNER.

H.J. Res. 68: Mr. AMBRO, Mr. ANNUNZIO, Mr. BRODHEAD, Mr. BURGNER, Mr. JOHN L. BURTON, Mr. CAMPBELL, Mr. DANIEL B. CRANE, Mr. DECKARD, Mr. ERLNBORN, Mr. ETEL, Mr.

EVANS of Indiana, Mr. FITHIAN, Mr. FOLEY, Mr. GARCIA, Mr. GILMAN, Mr. GOODLING, Mr. HAMILTON, Mr. LEWIS, Mr. LOEFFLER, Mr. LONG of Maryland, Mr. McHUGH, Mr. MAGUIRE, Mr. MICHEL, Mr. MOORE, Mr. MYERS of Indiana, Mr. PATTEN, Mr. PATTERSON, Mr. PAUL, Mr. PERKINS, Mr. QUAYLE, Mr. RAILSBACK, Mr. RINALDO, Mr. ROYBAL, Mr. ROYER, Mr. SATTERFIELD, Mr. SHARP, Mr. SHUSTER, Mr. STOCKMAN, Mr. STUMP, Mr. TREEN, Mr. VANDER JAGT, and Mr. WYDLER.

H.J. Res. 300: Mr. HYDE.
H. Con. Res. 83: Mr. ADDABBO, Mr. ASHBROOK, and Mr. LENT.

H. Con. Res. 134: Mr. DOUGHERTY.
H. Con. Res. 183: Mr. GLICKMAN and Mr. ROUSSELOT.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1603: Mr. EDWARDS of Oklahoma.
H.R. 4360: Mr. HUGHES.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5359

By Mr. KRAMER:
—Page 62, after line 7, add the following new section:

SEC. 776. None of the funds appropriated by this Act may be used to reduce the personnel, support, or equipment levels at any United States naval installation or facility at Guantanamo Bay, Cuba, or to reduce any military functions which are primarily supported by such installation or facility.

By Mr. MILLER of California:
—Insert on page 62, after line 7, new section 776:

None of the funds appropriated under this Act may be used for chemical, biological or radiological experiments on non-consenting civilian populations.

EXTENSIONS OF REMARKS

THE NEED FOR AN OIL-SPILL SUPERFUND—PART II

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 26, 1979

• Mr. MURPHY of New York. Mr. Speaker, the urgency of problems associated with oil pollution has been underscored in recent weeks by several casualties.

On June 30, the container ship *Sea Speed Arabia* ran aground off Staten Island, resulting in the discharge of 100,000 gallons of diesel oil that virtually surrounded Staten Island and polluted the waters of upper and lower New York Bay. Beaches and parks were closed and marine life was damaged many miles from the origin of the spill.

On July 19, the supertankers *Aegean Captain* and *Atlantic Empress* collided off the coasts of the island nation, Trini-

dad and Tobago. Both ships were holed, creating a gigantic oil spill that only chance took out to sea instead of onto the resort beaches so vital to the economy of the islands. The *Atlantic Empress* sank several days after the collision, taking with her to the bottom the oil trapped in intact cargo tanks. She was the largest ship in history to sink.

Most recently, in the first week of August, oil from the Mexican oil well IXTOC I, which suffered a blowout on June 3, reached the waters and beaches of South Texas. The well has been discharging oil at a rate of 10,000 to 30,000 barrels a day into the Gulf of Campeche. No end is in sight. By the time the well is capped and the oil disperses, the pollution may well affect the waters and beaches of all the States on the Gulf of Mexico, as well as the rich fishing grounds offshore. This situation was described in more detail in my remarks appearing in the CONGRESSIONAL RECORD of September 19, 1979, at page 25440.

These recent disasters emphasize the

need for prompt action on H.R. 85, a bill to provide a comprehensive system of liability and compensation for oil-spill damage and removal costs. Had H.R. 6803, the predecessor of H.R. 85, been enacted into law last October, U.S. citizens suffering damage from the Staten Island spill and the IXTOC I incident would now have quick and effective means to obtain compensation.

H.R. 85 represents the distillation of several years of deliberations on this matter by the Congress and by the administration of three Presidents. The subject of an oil pollution superfund, in all its ramifications, has been thoroughly studied, analyzed, and debated. The need for such a compensation system is abundantly clear. The time has now arrived—indeed is overdue—for final legislative decisions on an oilspill superfund, decisions that should be made as rapidly as procedures of the Congress and the press of other business will allow.

This clear course of action should not be allowed to become impeded by hurried